Foreign Broadcast Information Service 50 ANNIVERSARY 1941 - 1991

Daily Report

East Asia

FBIS-EAS-91-149
Friday
2 August 1991

Daily Report
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FBIS-EAS-91-149 *2 August 1991*

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Japan

Spokesman Welcomes Middle East Peace Conference

OW0208060791 Tokyo KYODO in English 0550 GMT 2 Aug 91

[Text] Tokyo, Aug. 2 KYODO—Japan welcomes the likelihood a Middle East peace conference will finally be realized in October, a Foreign Ministry spokesman said Friday. Spokesman Taizo Watanabe said in a statement that increased probability of a peace conference being convened following Israel's positive response "has opened a new prospect for peace and stability in the Middle East."

Watanabe credited the efforts of the United States, and in particular Secretary of State James Baker, for making the conference all the more possible. Baker met Thursday with Israeli Prime Minister Yitzhaq Shamir, who afterwards told reporters Israel would enter into negotiations with its Arab foes subject to a satisfactory solution to the issue of Palestinian representation at the conference.

Watanabe said the holding of the conference in itself would be a historic event. But he added that due to the large gap in the adversaries' positions, "it is impossible to predict how the conference will unravel."

The spokesman said Japan intends to continue to offer its services to facilitate the Middle East peace process. But ministry sources said Japan does not intend to call for its inclusion in the conference as an observer.

Kuwaiti Envoy Thanks Government for Gulf Aid

OW0108130391 Tokyo KYODO in English 1209 GMT 1 Aug 91

[Text] Tokyo, Aug. 1 KYODO—Timed to coincide with Friday's first anniversary of the Iraqi invasion of Kuwait, Kuwait's ambassador to Japan issued a statement Thursday and thanked Japan for standing by the emirate during the Persian Gulf crisis.

'Abd al-'Aziz 'Abd al-Latif al-Sharekh said, "Kuwaitis are mindful and immensely appreciative of the substantial Japanese financial contributions to the efforts which ultimately led to the liberation of Kuwait."

He also thanked Japan for dispatching minesweepers to the Gulf to rid the waters of Iraqi-laid mines.

Al-Sharekh said it appeared Iraq had learned little from its defeat by the allied coalition forces. "The capacity of the Iraqi regime to learn even from hard and expensive lessons has not been proven."

He said it is Japan's duty, along with other allied countries, to continue to pressure the Iraqi Government to comply with all the UN resolutions it accepted at the war's end.

Al-Sharekh said the resolutions include the unconditional release of Kuwaitis and others detained in Iraq, a demarcation of borders, the return of all stolen Kuwaiti properties, payment of reparations, and elimination of all Iraqi weapons of mass destruction.

Chief Cabinet Secretary Cancels PRC Visit

OW0108165991 Tokyo KYODO in English 1445 GMT 1 Aug 91

[Text] Tokyo, Aug. 1 KYODO—Chief Cabinet Secretary Misoji Sakamoto will cancel his planned visit to China and Mongolia from August 10 to accompany Prime Minister Toshiki Kaifu, Foreign Ministry officials said Thursday.

Instead Foreign Minister Taro Nakayama will accompany Kaifu on the two-nation tour, they said.

The government decided to have Sakamoto remain in Tokyo to handle important issues to be discussed at the upcoming extraordinary Diet session opening next Monday.

The Diet session is expected to deliberate issues such as the recent stock market scandal and proposals to revamp the nation's electoral system and enact laws to empower it to dispatch personnel from the Self-Defense Forces overseas to join U.N. peacekeeping operations, the officials said.

The government decided that the simultaneous absence of the prime minister and Sakamoto, the chief aide to the premier, from the extraordinary Diet session would draw stern criticism of government attitudes, the sources said.

Kaifu has repeatedly said his major purpose is to reform the nation's political system, which has been heavily criticized since the 1988-89 recruit bribery scandal which implicated and forced the resignations of former Prime Minister Noboru Takeshita and other cabinet ministers.

Okinawan Governor To Open Office in Washington

OW0208132091 Naha RYUKYU SHIMPO in Japanese 2 Aug 91 Morning Edition p 1

[By reporter Kenji Ketashiro]

[Text] Honolulu, 31 Jul—Governor Masahide Ota stated that he is "ready to take definite action for opening the prefectural government's representative office in Washington D.C." Ota also disclosed that some of the expences for opening the office will be included in the prefecture's fiscal 1992 budget. The governor made these remarks in an interview granted to RYUKYU SHIMPO in a Honolulu hotel on 31 July at 1600 local time (1 August at 1100 Japanese time) after completing the official schedule for his U.S. trip.

Ota plans to work on finalizing the budget for the Washington office immediately after his return home, and he is planning to organize the Washington office with about four personnel—two Americans and two younger Okinawan officials who will be dispatched there partly for in-service training. Moreover, he intends to dispatch Hiroko Sho, who will shortly be inaugurated as vice governor, to the United States to keep asking for the early return of U.S. bases.

Reviewing the U.S. trip, Governor Ota said: "I think that I did pretty well this time because I submitted to the U.S. side well- prepared documents written in English rather than just making a petition visit. I will wait without haste for U.S. reactions. Since it takes time to settle such problems as we are dealing with, I would like to repeatedly appeal to the American people's intelligence." He then added: "I am satisfied with the results of my U.S. trip as the first step toward the future."

With respect to the Okinawan people's anxiety about new stations for U.S. Air Force units at Clark Field in the Philippines, Ota said: "Many people concerned said that they do not expect those units' moves into Okinawa. I am not anxious about the issue at the present."

Preparatory survey for opening the Washington office was one of the major objectives of Ota's U.S. trip since he wants the office in the U.S. capital to accelerate settlements of base-related problems on Okinawa. He noted that opening the Washington office has become the subject of serious consideration since the survey by the Ota-led delegation concluded that upkeep expenses for an office in Washington is cheaper than was expected.

Under Ota's personal plan, which will be reported to senior prefectural government officials after his return home, the National Press Building, which currently has some vacancies, or somewhere around that building, is a favorable location for the office. He plans to hire two Americans as local staff—one who knows the Okinawan situation well and is able to negotiate with U.S. Government officials, and a female secretary. Two Okinawan officials will be dispatched from the prefectural government.

In conclusion, Ota stated: "The plan for the Washington office is not my original idea. My predecessor had twice dispatched deputy bureau chief-class officials to the United States for preparatory surveys. I would like to continue his efforts and finalize the project as soon as possible.

LDP Approves Plan To Create PKO Corps

OW0108155591 Tokyo KYODO in English 1454 GMT 1 Aug 91

[Text] Tokyo, Aug. 1 KYODO—Members of the Self-Defense Forces (SDF) will be allowed to participate in a proposed peacekeeping operations cooperative corps while maintaining their status as SDF members, according to a report prepared by the government Thursday.

Chief Cabinet Secretary Misoji Sakamoto presented the report on a draft bill on the corps, to be submitted to an extraordinary Diet session next week, to executives of the ruling Liberal Democratic Party (LDP), including Secretary General Keizo Obuchi.

The LDP approved the report and agreed that the government submit the report to a meeting of secretaries general of the LDP, Komeito and the Democratic Socialist Party on Friday.

The report said the bill aims at allowing overseas dispatch of a tentatively titled "peacekeeping operations [PKO] cooperative corps" to help implement smoothly and quickly United Nations peacekeeping policies and resolutions or humanitarian relief operations at the request of international agencies.

Japan's peacekeeping cooperation should not pose the threat of the use of force, the report said.

The peacekeeping operations cooperative corps will participate in U.N. peacekeeping missions to help mediate in military disputes, secure ceasefires and supervise truces, the report said.

The corps will advise and supervise administrative affairs, monitor elections, and engage in civilian policing, it said.

The corps will also take part in installation and repair of transportation, communications and construction equipment and in medical services.

The report also proposed that the corps engage in relief and rehabilitation activities for victims of military conflicts.

The headquarters of the corps should be set up within the Prime Minister's Office and be headed by the prime minister, it said.

SDF personnel will be allowed to participate in the corps while maintaining their status as SDF members, and will be allowed to possess the minimum weapons necessary to protect their lives, it said.

The government will explain at Friday's meeting of secretaries general of the three political parties that the Japanese corps will withdraw if it becomes likely that military force would be used, government officials said.

LDP Officials Announce Diet Session Dates

OW0108133291 Tokyo KYODO in English 1238 GMT 1 Aug 91

[Text] Tokyo, Aug. 1 KYODO—Officials of the Liberal Democratic Party (LDP) and three opposition parties

agreed Thursday to convene an extraordinary Diet session for 61 days from August 5 to October 4, party sources said.

The heads of the four parties' Diet Affairs Committees were also nearing agreement on establishing ad hoc committees to probe the current stock scandal.

After the opening of the 121st Extraordinary Diet Session, Prime Minister Toshiki Kaifu will make a policy speech and National Land Agency Director General Mamoru Nishida will report on the disasters caused by the eruption of Mt. Unzen in Nagasaki, southern Japan.

Representatives of the LDP and opposition parties will then put questions on Kaifu's policies. The Diet session will enter into a summer recess from August 10 to 18, the sources said.

But the four representatives from the LDP, the Social Democratic Party (SDP), Komeito, and Democratic Socialist Party (DSP), failed to agree on how to proceed with Diet deliberations, including meetings of the Budget Committee and ad hoc committees on the stock scandal and political reform.

They only agreed to start the Budget Committee session on August 19, but did not reach any agreement on how long it should last, nor on the length of the two ad hoc committee sessions.

The stock scandal committee, if organized, is expected to probe the huge reimbursements for investment losses by major brokerages and their links with organized crime syndicates, the sources said.

The setting up of two special committees on the stock scandal and political reform centering on a proposed new electoral system was suggested by Seiroku Kajiyama, chairman of the LDP's Diet Affairs Committee.

The LDP wants to change the current multiple-seat constituency system for the House of Representatives into a single-seat constituency system with proportional representation.

The ruling party says the revamping of the nation's electoral system is necessary to reduce electioneering costs and to regain public trust in the ethics of national politics, which have been badly damaged ever since the Recruit bribery scandal broke in 1988.

All opposition parties have vehemently balked at the proposal, saying such an electoral overhaul is a disguised attempt to perpetuate the LDP's hold on power by making it easier for wealthy conservative politicians to buy votes from a smaller number of constituents at greater cost effectiveness.

SDP Diet Affairs Committee Chairman Tomiichi Murayama told the meeting that the Diet should set aside ample time for the Budget Committee session to discuss the stock market scandal, before the special committees are allowed to start debating.

Kajiyama hinted that the extraordinary Diet session may be extended, saying that the Diet session should also discuss an LDP proposal to enact a law empowering the government to send personnel from the Self-Defense Forces overseas to join in United Nations peace-keeping operations.

MITI Urges Tighter Controls on Weapons Exports

OW0208073591 Tokyo KYODO in English 0510 GMT 2 Aug 91

[Text] Tokyo, Aug. 2 KYODO—International Trade and Industry Minister Eiichi Nakao said Friday his ministry has instructed business and trading organizations to tighten controls on exports of weapons.

Nakao told reporters after a cabinet session Friday the instructions will be delivered to 21 organizations, including the Japan Foreign Trade Council and the Japan Machinery Exporters' Association.

The step is aimed at preventing illegal exports of weapons by companies in violation of Japan's standing policy on weapons trade, he said.

Japan bans export of weapons to communist countries and nations involved or likely to be involved in conflicts.

Japan Aviation Electronics Industry Ltd. was recently accused of illegally exporting missile parts repaired in Japan to Iran during the Iran-Iraq war.

In 1987, Toshiba Machine Co., a subsidiary of Japan's major electronics maker Toshiba Corp., was given a one-year trading suspension for illegally exporting computer-controlled milling machines to the Soviet Union.

The ministry instructions called for companies to immediately report any inquiry about exports of weapons and related equipment.

The companies were urged to strictly implement in-house compliance programs aimed at preventing illegal transactions.

NPA White Paper Warns of Growing Drug Links

OW0208030091 Tokyo KYODO in English 0113 GMT 2 Aug 91

[Text] Tokyo, Aug. 2 KYODO—The National Police Agency [NPA] announced the alarm Friday that drug abuse in Japan, if neglected, could reach proportions similar to Europe and the United States.

The NPA, releasing its 1991 white paper on Friday, warned growing links between South America's cocaine merchants and the Japanese underworld are likely to augment the flow of cocaine into Japan.

Meanwhile, the general public remains unaware fully of the dangers of drug abuse and related crimes, the white paper claims.

Until about three years ago, cocaine was not considered a major concern among Japan's drug law enforcers since only about a kilogram of cocaine was being confiscated annually.

However, with an American crackdown on cocaine smuggling, South American drug smugglers targeted Japan.

Police and customs officials discovered cocaine on South American freighters coming to Japan and last year confiscated a record 68.8 kilograms of the illicit drug.

From 1989 through June this year, police arrested 22 Central and South Americans for drug smuggling offenses and nabbed a Japanese gangster in February who attempted to smuggle in cocaine from Bolivia.

Twenty-eight of the 93 cases involving cocaine last year involved members of Japanese underworld gangs, the white paper reported, compared to 6,581 of the 15,038 cases involving stimulants and 369 of the 1,520 incidents involving marijuana.

The white paper predicted relations between South American drug cartels and Japanese gangs are likely to continue to get stronger.

Among 65 people who admitted using cocaine, slightly more than half said they first tried the drug overseas and continued when they returned to Japan.

Police asked 220 stimulant smugglers what they considered the next wave in selling drugs and 47.3 percent replied marijuana while 42.3 percent said cocaine.

NPA officials said they fear that with the increase of young Japanese heading overseas, cocaine could become Japan's "second stimulant" with the prodding of the gangsters.

The white paper suggested antidrug and antimoney laundering laws, expected to be passed this fall and implemented next spring, will be needed to confine and eradicate the drug smuggling activities of the Japanese underworld.

Owada Replaces Kuriyama as Vice Foreign Minister

OW0208022891 Tokyo KYODO in English 0056 GMT 2 Aug 91

[Text] Tokyo, Aug. 2 KYODO—The government on Friday appointed Deputy Foreign Minister Hisashi Owada as vice foreign minister replacing 60-year-old Takakazu Kuriyama who is going to retire from the foreign service, officials said.

Foreign Minister Taro Nakayama reported to the regular cabinet session Friday on personnel changes of top officials of the Foreign Ministry and the cabinet approved the appointment, the officials said.

Ambassador to Iran Kunihiko Saito was picked as new deputy foreign minister succeeding Owada, the officials said.

Outgoing Kuriyama has served as vice foreign minister since August 1989.

Owada, 58, joined the ministry in 1955. Owada held various posts like treaties bureau director general, director of the ministry secretariat, and ambassador to the Organization for Economic Cooperation and Development. Owada served as deputy foreign minister since August 1989.

His successor, Kunihiko Saito, 56, has been served as ambassador to Tehran since May 1989. Saito, who entered the ministry in 1958, held such posts as financial affairs division manager and treaties bureau director general before being dispatched to Iran.

Friday's cabinet session also approved the assignment of former ambassador to Zaire Tsuneo Oyake, 58, to the Tehran post.

Further Reportage on Securities Scandal

Financial Watchdog Considered

OW0108120691 Tokyo KYODO in English 1111 GMT 1 Aug 91

[Text] Tokyo, Aug. 1 KYODO—The Finance Ministry is considering creating a Japanese financial watchdog with the power to report illegal and questionable conduct to justice authorities, ministry officials said Thursday.

They said the new body, to be created in coordination with the Justice Ministry, would differ from the U.S. Securities and Exchange Commission (SEC) in that it would lack the power to expose and investigate financial crimes and wrongdoing on its own.

A Finance Ministry project team is investigating ways of beefing up inspections of financial institutions as pressure grows in Japan for an independent SEC-style body. It follows a recent series of scandals in the securities and banking industries.

The ministry will reorganize its securities, banking, and international finance bureaus and expand staff in order to create the new body, officials said.

They said the ministry will decide on plans for the creation of such a body before the end of August, the deadline for requesting appropriations in the Fiscal 1992 budget.

The officials said it would also be difficult to recruit enough experienced legal staff for an SEC-style body.

Hashimoto on Names Disclosure

OW0208035791 Tokyo KYODO in English 0157 GMT 2 Aug 91

[Text] Tokyo, Aug. 2 KYODO—Finance Minister Ryutaro Hashimoto said Friday five medium-ranking securities firms may release names of their favored clients that they compensated for market losses.

Hashimoto, speaking at a press conference after a cabinet meeting, said the five securities companies, under the Finance Ministry's jurisdiction, are requested to disclose the names "voluntarily" if they found such misdeeds.

He made remarks shortly before intensive deliberations at the upper house finance committee discussing the stock scandals.

The five securities companies are Cosmo Securities Co., Universal Securities Co., National Securities Co., Chiyoda Securities Co., and Nichiei Securities Co.

Hashimoto said the Finance Ministry has already delivered documents on Japan's loss-compensation stock scandals to the U.S. Securities and Exchange Commission (SEC).

The SEC has ordered U.S. subsidiaries of Japan's "Big Four" securities companies to submit documents about loss-compensation transactions and deals involving possible stock price manipulation by August 12.

The finance minister added there is no difference between him and Prime Minister Toshiki Kaifu over whether a new securities market watchdog similar as the SEC is necessary.

The prime minister repeatedly said after disclosure of the recent stock scandals that the time was ripe to create a new independent organization to prevent a recurrence of the incidents.

Hashimoto Apologizes Again

OW0208074391 Tokyo KYODO in English 0514 GMT 2 Aug 91

[Text] Tokyo, Aug. 2 KYODO—Finance Minister Ryutaro Hashimoto again apologized Friday for what he called mismanagement over the massive reimbursement by securities companies to favored clients to cover their investment losses.

Speaking at a session of the House of Councillors' finance committee looking into the brokerage scandal, Hashimoto said he was "seriously shocked to see the scope and amount of compensations to clients."

Finance Ministry authorities told the same upper house committee session that some minor securities companies had also paid compensation to favored clients but the amount was small.

The country's 17 larger brokerages have said they paid 172 billion yen to a total of 608 organizations and nine individuals—all large-lot investors—between 1987 and 1990 to compensate them in their stock and bond market losses. Some clients received reimbursements by more than one brokerage.

No small-lot investors are known to have received similar reimbursements.

The finance minister told the session he is "offering apology for insuffient oversight" to the securities industry.

The upper house convened the committee session for an intensive discussion of the brokerage scandal, following the House of Representatives' finance committee session which opened July 25.

During the lower house committee session, Hashimoto had also offered apology but denied he was resigning to assume responsibility for the scandal.

At Friday's session, Hashimoto said the brokerages did in fact compensate companies for their losses regardless of whether the clients were aware of it. Most clients denied reception of compensation or said they were unaware of such payments.

Hashimoto said his ministry is devoting itself to regain public confidence in the stock and bond markets and planning legislation to prevent recurrence of similar scandals.

The ministry will submit a bill that would revise the Securities and Exchange Law, which only bans brokerages from promising clients compensation in case of losses, he said.

The existing law does not ban them from compensating losses without such a promise.

Nobuhiko Matsuno, director general of the ministry's securities bureau, said some minor securities companies under the jurisdiction of the ministry's local offices also paid compensation to favored clients.

Matsuno said, however, the amount of reimbursements by minor brokerages was small.

Hashimoto and Matsuno were replying to questions from Chimpei Nozue of the ruling Liberal Democratic Party and Seijun Murata of the Social Democratic Party, the main opposition group.

Matsuno said there are 22 securities companies directly under the ministry's jurisdiction. Seventeen of the 22 houses paid compensation to favored clients.

The remaining five houses had not reimbursed clients for their losses, Matsuno said.

The 17 large brokerages paid the 172 billion yen in compensation between October 1987 and March 1990.

The investors suffered losses at the stock market crash in late 1987 and again in early 1990.

Japan's "Big Four" brokerages—Nomura, Daiwa, Nikko, and Yamaichi Securities companies—paid 128 billion yen, while 13 smaller houses paid 43.7 billion yen.

The 13 were Kokusai, New Japan, Wako, Sanyo, Kankaku, Okasan, Yamatane, Dai-Ichi, Tokyo, Marusan, Toyo, Taiheiyo, National and Mito Securities Companies.

Yamaichi paid 45.6 billion yen, Nikko 33.1 billion yen, Nomura 27.5 billion yen, Daiwa 22.1 billion yen. New Japan paid 14.2 billion yen.

The remaining five which Matsuno said made no reimbursements to clients were Cosmo, Universal, National, Chiyoda, and Nichiei Securities Companies.

Among the list of the top 20 favored clients were Showa Shell Sekiyu K.K., Matsushita Electric Industrial Co., Nippon Oil Co., Hitachi Ltd., Marubeni Corp., Hanwa Co., C. Ito and Co., Mitsui Osk Lines Ltd., Sekisui Chemical Co., Tsumura and Co., Toyota Motor Corp., Kawasaki Steel Corp., and Tomen Corp.

Two public organizations—Japan Mutual Aid Association of Public School Teachers and Pension Welfare Service Public Corp.—placed first and second in terms of reimbursements at 59.49 billion yen and 53.54 billion yen, respectively.

Among the clients compensated by Okasan Securities Company was a building rental company which was operated by a son of the LDP's [Liberal Democratic Party] chief power broker, Shin Kanemaru.

More Cases of Reimbursements

OW0208035291 Tokyo KYODO in English 0130 GMT 2 Aug 91

[Text] Tokyo, Aug. 2 KYODO—Some minor securities companies paid compensation to favored clients to cover their losses in stock and bond market losses, a senior Finance Ministry official said Friday.

Nobuhiko Matsuno, director general of the ministry's Securities Bureau, said, however, the amount of reimbursements by the minor brokerages was small.

Matsuno was replying to a question at a session of the House of Councillors' Finance Committee looking into the brokerage scandal involving Japan's securities companies.

The country's 17 larger brokerages said they paid 172 billion yen to 698 organizations and nine individuals between the fall of 1987 and spring of 1990 to compensate their investment losses. Some clients received reimbursements by more than one brokerage.

Japan's "Big Four" brokerages—Nomura, Daiwa, Nikko and Yamaichi Securities Companies—paid 128 billion yen, while 13 second-tier and medium houses paid 43.7 billion yen.

Matsuno said there are 22 securities companies directly under the Finance Ministry's jurisdiction. Seventeen of the 22 houses paid compensation to favored clients.

The Finance Ministry has confirmed that remaining five houses had not reimbursed clients for their losses.

But smaller companies under authority of the ministry's local finance bureaus have compensated clients for their losses, he said.

Nomura To Cooperate in Investigation

OW0108200991 Tokyo KYODO in English 1451 GMT 1 Aug 91

[Text] Tokyo, Aug. 1 KYODO—A spokesman for Nomura Securities Co. said Thursday the brokerage is ready to cooperate with a possible investigation by the U.S. Securities and Exchange Commission (SEC) into Japan's securities scandal.

The SEC has sent letters to at least three of Japan's "big four" brokerages asking them for information relating to the scandal, according to a WALL STREET JOURNAL article Thursday quoted by an AP- Dow Jones dispatch from New York.

Nomura, the world's biggest securities house, confirmed its U.S. subsidiary received such a letter and that it hopes to cooperate where it can, but that contact with the commission will primarily be through its U.S. subsidiary.

A spokesman for Yamaichi Securities Co. also confirmed that its U.S. subsidiary had received the letter.

He said, however, that he could not say anything more at this point because the head office has not studied the content of the letter in detail.

Executive Chief To Remain

OW0208063691 Tokyo KYODO in English 0544 GMT 2 Aug 91

[Text] Tokyo, Aug. 2 KYODO—Masaru Hayami, chairman of the Japan Association of Corporate Executives, said Friday he will not quit his post despite his company's involvement in the current stock compensation scandal.

"I won't quit so long as the association supports me," said Hayami, who also chairs Nissho Iwai Corp. Nissho Iwai was included in a list of companies reimbursed for losses incurred in securities transactions by brokerage houses.

He said he "would like to believe" the reports from Nissho Iwai executives that they did not infringe laws,

did not ask for compensation, did not have the recognition that they were compensated.

Hayami added he regretted that the names of firms were revealed before a clear definition of compensation was given.

He said it is necessary for a securities watchdog to be set up to abide by market rules, and urged the securities industry to send a fact-finding mission to countries with such a function.

Federation of Bankers Hold 'Urgent' Meeting

OW0208064991 Tokyo KYODO in English 0548 GMT 2 Aug 91

[Text] Tokyo, Aug. 2 KYODO—The Federation of Bankers Associations of Japan held an urgent meeting of its board of directors Friday to confirm the need to prevent illegal financing as seen in recent scandals involving three top commercial banks.

At the meeting summoned by Kenichi Suematsu, federation chairman, directors pointed out the need to review the handling of branch managers' seals, and of important documents such as deposit receipts.

The specific measures will be left to the discretion of individual banks, but the bankers agreed on the need to search for any problems in the current system of personnel management at branch offices and of the internal establishment as a whole.

Last month, employees of Fuji Bank, Tokai Bank, and Saitama Kyowa Bank were disovered to have issued fake deposit receipts to their clients, helping them to borrow several billion yen from nonbanking financial institutions.

Mongolia

Resolution on Economic Crisis Adopted

OW0108103391 Beijing XINHUA in English 0832 GMT 01 Aug 91

[Text] Ulaanbaatar, July 31 (XINHUA)—The Central Committee of the Mongolian People's Revolutionary Party adopted a resolution today appealing to the people to bail the country out of the current economic crisis by relying on their own effort.

The resolution, entitled "Policy of Making the Fullest Use of Our Own Strengths for the Fatherland's Development," said that a comprehensive solution to the economic crisis and a transition to market economy as advocated by the party are not expedient measures, but are elements that will determine the future pattern of Mongolia's economic development.

The resolution pointed out that this policy was designed to establish an efficient market economy complex and to raise the people's living standard.

The resolution also stressed that the ultimate purpose of pursuing democracy, glasnost and pluralism is to make Mongolia prosperous and developed.

North Korea

People in South 'Support' Confederal Proposal

SK0208120891 Pyongyang KCNA in English 1004 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—Ever louder voices welcoming and supporting the proposal for founding a democratic confederal republic of Koryo put forward by the great leader President Kim Il-song are ringing out from among the South Korean people as days go by.

The South Korean magazines TONGIl HANGUK and SOCIETY AND IDEOLOGY said this proposal advanced by President Kim Il-song at the sixth congress of the Workers' Party of Korea is not only a perfect reunification proposal but contains in itself the features of a unified state.

A university professor in Seoul said:

President Kim Il-song is the lodestar of reunification. Our people are advancing along the road of reunification indicated by him, and herein lies the future of a reunified nation.

South Korean people also express full support to the great principles of defining the new way of national reunification laid down by President Kim Il-song.

The members of the Society for the Promotion of National Reunification, an organization of students expelled from universities in South Korea, stressed that the proposal of President Kim Il-song to achieve national reunification through a confederacy on the basis of one nation, one state, two systems and two governments is the most fair and reasonable reunification proposal acceptable to anyone who cherishes the national ethos.

A South Korean dissident figure told his colleagues:

I am sure that reunification will be achieved in the '90s without fail because we have the leader of our nation in the person of President Kim Il-song. Let us dedicate ourselves to the struggle to accomplish the sacred cause of reunification, upholding the president's proposal for reunification through a confederacy.

U.S., South Military Exercises 29, 31 Jul

SK0208050891 Pyongyang KCNA in English 0442 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—The U.S. imperialist aggressors on July 31 sent an EH-60 helicopter to the sky above Pochon and made it commit an all-around electronic reconnaissance on targets in the frontline

areas of the North side, repeatedly flying above the central and western sectors of the front along the Military Demarcation Line (MDL), according to military sources.

On the same day, they brought formations of assault planes, refueling tankers and transport planes to the sky above South Korea from their bases in Japan proper and the Pacific to stage frantic aerial attack, ground strike, ground attack support and mid-air refueling exercises simulating a northward invasion in coordination with more than 160 fighter-bombers, assault planes and observation planes belonging to the U.S. Airforce present in South Korea and the puppet airforce.

The warplanes mobilized in war exercises that day totalled more than 600.

On July 29 and 31, groups of 105 mm guns massed in Hapo-ri, Paju County, and Songok-ri, Yonchon County, frenziedly fired more than 180 shells at a spot near the Demilitarized Zone (DMZ) of the MDL.

On July 31, armed bandits entered the area near Osang-ri, Paju County, and fired at random some 700 12.7 mm large-calibre machinegun bullets.

U.S. Defense Secretary Cheney's Comments Viewed

SK0208051891 Pyongyang KCNA in English
0502 GMT 2 Aug 91

["Brazen Sophism of Aggressor"—KCNA headline]

[Text] Pyongyang August 2 (KCNA)—U.S. Defense Secretary Cheney reportedly told the U.S. House Budget Committee on August 1 that the long-term military strategy of the U.S. forces in the Asia-Pacific region is to "continue with the forward deployment" of the U.S. forces present in South Korea and other areas and, in return for it, obtain an increase of burden-sharing for the upkeep of U.S. forces on the part of the authorities of the regions where they are stationed.

This outburst of Cheney reveals that though the U.S. imperialists are pretending to be interested in "reducing" their forces from South Korea and the Asia-Pacific region, vociferating about the "end of the cold war era" and "advent of an era of peace," it is a false gesture.

He prattled that if U.S. forces are withdrawn from the Pacific at a time, "a vacuum of strength" and "an unstable security situation" would be created and then "military rivalry" would ensue.

This is, indeed, a shameful jargon of the aggressor.

His assertion that the U.S. troop pullout would create "a vacuum of strength" is a nonsensical talk which will go down with nobody.

The Korean people have never asked the United States to ensure security on the Korean peninsula, nor have they invited the U.S. forces to protect them from someone's "threat."

The U.S. forces are uninvited guests and aggressors occupying South Korea.

Through this outburst Cheney fully betrayed their real intention to ease the heavy financial burdens of the United States at any cost by openly forcing the puppets and satellite states to pay more for the maintenance of the U.S. forces, while keeping them in South Korea and the Asia-Paciic region.

U.S. 'Intensifying Its Anti-DPRK Campaign'

SK0208062391 Pyongyang KCNA in English
0523 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—NODONG SINMUN today denounces the U.S. Imperialists for intensifying its anti-DPRK campaign over a "nuclear problem."

The paper says in a signed article:

The United States leaves no stone unturned in a bid to make the "development" of nuclear weapons in the DPRK a fait accompli and convince the world public of it.

They are making a false propaganda that the DPRK has "nuclear faciities" and is "capable of develcping" nuclear weapons, saying it is doubtful if the DRPK would accept nuclear inspection after singing the nuclear safeguards accord with the International Atomic Energy Agency [IAEA] and that it is uncertain whether the DPRK would open to the public everything even if it accepts nuclear inspection.

In extensively spreading this false propaganda, the U.S. imperialists seek to isolate the DPRK in the international arena by misguiding people to be "vigilant against the DPRK and, on the other hand justify their nuclear war moves on the Korean peninsula and in other parts of Asia. The hectic anti-DPRK campaign of the U.S. ruling quarters is a premeditated move to build public opinion in their favour before containing the DPRK with strength.

The United States schemes to unleash another war against the North on the Korean peninsula under its aggressive Asia-Pacific strategy.

The United States, keeping hold on South Korea as its nuclear forward base and frontline attack base, is reinforcing its troops and the puppet armed forces by shipping in new-type equipment and weapons, and ceaselessly staging military exercises like the "Team Spirit" joint military maneuvers, thus aggravating the situation on the Korean peninsula.

The changing situation raises it as an urgent and matured issue to establish a nuclear-free, peace zone on the

Korean peninsula where the danger of nuclear war is increasing due to the U.S. imperialists. Especially, the major nuclear weapon states confronting one another around the Korean peninsula are going toward reconciliation and cooperation and agreeing on the reduction of nuclear weapons. This creates a new possibility of converting the Korean peninsula into a nuclear-free, peace zone. The United States is nowadays taking the position that it does not oppose in principle the establishment of nuclear-free zones on condition that the parties concerned agree on it, and is expressing support to the proposals for establishing nuclear-free zones in the Middle East, South Asia and Africa.

If the United States truly wants peace, there is no ground for it to refuse to respond to our peace initiative for converting the Korean peninsula into a nuclear-free, peace zone.

The United States must clearly see the trend of the times, refrain from rash acts, discard its anachronistic policy of strength and withdraw its troops and nuclear weapons from South Korea.

Paper Urges Weapons Removal From Asian Region

SK0208123491 Pyongyang KCNA in English
1024 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—MINJU CHOSON today lays stress on the strengthening of cooperation among the peoples of the continent for the building of a new Asia.

Noting that the cause of building a new Asia raises cooperation among the peoples in this region as an indispensable requisite, the paper in a signed article says:

It is all the more urgent because imperialists' manoeuvres of domination and plunder are getting more crafty and vicious with each passing day.

If the peoples of the Asian countries make concerted efforts to expand the scope of economic, technical and cultural exchanges and develop cooperation on the principle of mutual benifits, they can carry into realities various possibilities for an independent development and prosperity of Asia.

The article further says:

If cause of building a new Asia is to be promoted by strengthened unity and cooperation among the Asian peoples, the people of each country must defend independence and fulfil their responsibility and role as the master.

The peoples of the Asian countries must not allow any manner of domination and interference but hold fast to an independent stand.

They should support and cooperate with each other in the way of accomplishing their common cause, putting aside the differences between the countries and the nations and finding the commonness for independence and progress.

Guaranteeing peace and security in Asia stands out as a matter of great urgency in the struggle to build an independent and prosperous new Asia.

The Asian people should get foreign armed forces reduced in the Korean peninsula and other parts of Asia and withdrawn from there and have nuclear and other modern mass destruction weapons eliminated. And they should get closely united and establish nuclear-free, peace zones in different places and expand them constantly under the banner of peace against nuclear weapons.

The Democratic People's Republic of Korea will as ever make positive efforts to build an independent and prosperous new Asia, firmly uniting and closely cooperating with the peoples of other Asian countries, declares the article.

Withdrawal of U.S. Troops From South Demanded

SK0208054391 Pyongyang KCNA in English
0431 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—According to data available, this year alone, party and state leaders, high-ranking officials, political parties and public organizations of more than 100 countries of the world in their messages and letters strongly demanded the withdrawal of the U.S. troops and nuclear weapons from South Korea.

They include Yasir 'Arafat, president of the State of Palestine and chairman of the Executive Committee of the Palestine Liberation Organization; Lansana Conte, president of the Republic of Guinea, president of the Transitional Council for National Redressment and head of state; Sam Nujoma, president of the Republic of Namibia; Amadou Toumani Toure, president of the Transitional Committee for the Salvation of People and head of state of the Republic of Mali; Muhammad Husni Mubarak, president of the Arab Republic of Egypt; Narayan Man Bijukche, general secretary of the Nepal Workers and Peasants Party; Dilip Barua, general secretary of the Central Committee of the Communist Party of Bangladesh (Marxist-Leninist); Jack Barnes, national secretary of the Socialist Workers Party of the United States; Preben Moller Hansen, chairman of the Danish workers' party, Common Cause; and party and state leaders and parties of different countries such as the Communist Party of India, the Socialist Progressive Party of Lebanon, the United Social Democratic Party of Syria, the Communist Party of Honduras, the new alternative of Venezuela, the New Communist Party of Great Britain and the Communist Party of Ireland.

Messages and letters also came from public organizations, friendship organizations and high-ranking officials of 70 odd countries including the All-China Federation

of Trade Unions, the Soviet Afro-Asian Solidarity Committee, the Lao Committee for Peace, Solidarity and Friendship Among Peoples, the Pakistani Federation of Trade Unions, the Arab Students Union, the Indian Association of World Cooperation and Cultural Relations, the Malagasy Solidarity Committee, the National Union of Malian Workers, the Senegal Federation of Veteran Fighters and Victims of War, the Zimbabwe National Liberation War Veterans Committee, the Nicaraguan Journalists Union, the French General Confederation of Trade Unions, the Portugese Council for Peace and Cooperation, the Tunisia-Korea Friendship Association, the Guyana-Korea Friendship Association, the party secretary of the Ministry of State for Irrigation of Mozambique and former chief of staff of the People's Army of the Syrian Arab Republic.

They said in their messages and letters that peace and security not only in Korea but also in Asia and the rest of the world are in jeopardy owing to the moves of the U.S. imperialists who have turned South Korea into the biggest nuclear forward base in the Far East.

They denounced the United States for insisting on a unilateral "nuclear inspection" of the Democratic People's Republic of Korea and demanded a simultaneous nuclear inspection of the North and the South.

They stressed that Korea must be reunified by means of a confederacy based on one nation, one state, two systems and two governments.

Officials Attend Films in Beijing on Anniversary

SK0208092091 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 28 Jul 91

[Text] On the 38th anniversary of the victory in the great Fatherland Liberation War, the DPRK Embassy in China arranged a film show in Beijing yesterday.

Invited to the show were Han Huaizhi, deputy chief of the General Staff of the Chinese People's Liberation Army; Yu Lei, vice minister of public security; Li Zhaoxing, assistant to the foreign minister; Li Renchen, deputy editor-in-chief of RENMIN RIBAO; Gao Yunjia, assistant minister of culture; (Peng Wangdong), deputy secretary general of the International Liaison Department of the CPC Central Committee; and Wang Xiaoxian, vice president of the Chinese People's Association for Friendship with Foreign Countries, and other functionaries concerned.

Also attending were Pae Yong-chae, acting charge d'affaires of the DPRK Embassy in China, and embassy staff.

Those attending the meeting saw our country's documentary films, including part six of the Fatherland Liberation War.

'Internationalist Soldier' Lays Wreaths 28 Jul

SK0208094491 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 28 Jul 91

[Text] The internationalist soldier Novichenko and his entourage, who are visiting our country, laid wreaths today at Taesongsan Fallen Revolutionary Martyrs' Mausoleum and the Monument of Liberation.

Joining them in laying wreaths was Hyon Tu-hyok, deputy director of the Party Historical Research Center of the Workers' Party of Korea [WPK] Central Committee.

The Korean People's Army honor guards were present at the Taesongsan Fallen Revolutionary Martyrs and the Monument of Liberation.

The guests laid the wreaths at the Taesongsan Fallen Revolutionary Mausoleum first. After they laid the wreaths, the guests said silent prayers in memory of the fallen anti-Japanese fighters who gave their lives for the sacred cause of national liberation and for the freedom and happiness of the people.

The guests looked around the Mausoleum.

Then the guests laid wreaths at the Monument of Liberation.

Novichenko and his entourage prayed in silence in memory of the fallen Soviet soldiers who gave their lives in the war of liberating Korea, fought to annihilate the Japanese imperialists.

The participants looked around the Monument.

Visits Mangyongdae, Other Places

SK0208110391 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 30 Jul 91

[Text] The internationalist soldier Novichenko and his entourage visited Mangyongdae.

The guests, visiting the native home at Mangyongdae with boundless admiration for the great leader Comrade Kim Il-song, carefully looked at the historical relics kept with greatest care, while listening to immortal stories about this house of historic significance.

After taking pictures of themselves in memory of their visit to the old house at Mangyongdae, the guests looked at revolutionary relics on top of Mount Mangyongdae.

Concluding his visit, Novichenko said: The more frequently I visit Mangyongdae, the deeper the impression it leaves on me. Mangyongdae is the sacred place of the Korean revolution.

The company visited the Tower of the Chuche Idea.

After looking around the Tower of the Chuche Idea and the group of people sculptured on the left and right sides

of the tower, the guest climbed to the observatory tower at the top of the tower for a bird's-eye view of prospering Pyongyang.

After the inspection, Novichenko's sons and daughters said that Korea has attained great successes in socialist construction by wonderfully embodying the immortal chuche idea founded by Comrade Kim Il-song and that they were surprised to see the monumental edifices wonderfully built by the Korean people in so short a time.

They also inspected many other places, such as the Grand People's Hall of Study, May Day Stadium, and Mangyongdae resort.

Japan's War Removal of Koreans Said Verified

SK0208044891 Pyongyang KCNA in English
0416 GMT 2 Aug 91

[Text] Tokyo July 31 (KNS-KCNA)—The Japanese ASAHI SHIMBUN July 29 reported that "labor call-up papers" issued by Japan to forcibly whisk away workers from Korea during the past Japanese imperialist rule and some relevant documents were found stashed away in the library of Komazawa University in Tokyo.

This fact was disclosed by a fact-finding group of the General Association of Korean Residents in Japan (Chongnyon).

The documents include a list of the names of Koreans submitted to a local police station by a Japanese business group, and record the fact that sentiments of Korean workers who had been forcibly taken to Japan on orders from the Japanese Army and Government General were reported to police.

They also include "a document on the transfer of workers from the Korean peninsula" and a document about 29 Korean workers who were dragged along to Japan in March, 1945, toward the end of the war, with "labor call-up papers" for 21 of them attached to it.

The paper introduces part of the content of the documents showing the background of the forcible drafting of Korean workers to Japan.

Committee in Japan Views Nuclear-Free Proposal

SK0208053491 Pyongyang KCNA in English
0446 GMT 2 Aug 91

[Text] Tokyo August 1 (KNS-KCNA)—The Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) issued a statement on July 31 concerning the new proposal of the DPRK Government to turn the Korean peninsula into a nuclear-free zone.

The statement says the situation on the Korean peninsula has not been eased and the danger of nuclear war is increasing now entirely because the United States is persisting in its policy of nuclear threat against the Korean people and refusing to withdraw its nuclear weapons from South Korea.

It goes on:

We strongly demand that the United States and the South Korean authorities adopt a disinterested attitude toward the new proposal of the DPRK Government and take steps for the denuclearization of the Korean peninsula without delay.

The South Korean authorities should approach with sincerity the proposal that the North and the South agree to establish a nuclear-free zone on the Korean peninsula and adopt and publish a joint declaration.

We also consider that the United States, and the Soviet Union and China, the nuclear weapon states neighbouring on the Korean peninsula, should legally guarantee the nuclear-free status of the Korean peninsula, once an agreement is reached and a declaration is adopted to this effect and thus stimulate the process of establishing a nuclear-free zone.

Especially, the United States, the party which has deployed its nuclear weapons in South Korea, must take measures to withdraw these weapons in conformity with the requirement of the denuclearization of the Korean peninsula.

It is self-evident that as long as there exists the nuclear threat on the Korean peninsula, the Asian people including the Japanese cannot be safe and a nuclear holocaust on the Korean peninsula will sweep the Asian region.

We believe that the peaceloving people in Asia and the rest of the world including the Japanese people will lift up loud voices of solidarity for an early denuclearization of the Korean peninsula out of the common desire for denuclearization and peace.

Japanese Friendship Boat Group Holds Reception

SK0208060291 Pyongyang KCNA in English
0452 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—The "Japan-Korea friendship boat" visiting group gave a reception here on August 1 upon the conclusion of its visit to Korea.

Invited there were Chong Chun-ki, chairman of the Korean Society for Cultural Relations With Foreign Countries, Kim Kuk-hun, president of the University of National Economy and vice-chairman of the Korea-Japan Friendship Association, and other officials concerned.

Present were the members of the visiting group led by Motofumi Makieda, representative member of the Japan Committee for Supporting Korea's Reunification who was chairman of the former General Council of Trade Unions of Japan (Sohyo).

Speeches were exchanged at the reception.

Kim Il-song Receives Iranian Sports Delegation

SK0208114391 Pyongyang KCNA in English
1033 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—The great leader President Kim Il-song today received a delegation of the Physical Training Organisation of the Islamic Republic of Iran headed by Hasan Ghafuri-fard, vice-president and chairman of the organisation, on an official goodwill visit to Korea.

Present on the occasion were Vice-premier and Foreign Minister Kim Yong-nam; Chairman of the State Commission of Physical Culture and Sports Kim Yu-sun; Vice-chairman of the Committee for Cultural Relations With Foreign Countries Chon Yon-ok; and Charge d' Affaires ad interim of the Iranian Embassy here Hamid Malek-Abadi.

President Kim Il-song had a warm and friendly conversation with the guests.

The head of the delegation presented a gift to president Kim Il-song.

President Kim Il-song gave a luncheon for the guests.

Iranian Delegation Brings Gift for Kim Chong-il

SK0208124991 Pyongyang KCNA in English
1036 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from the head of the delegation of the Physical Training Organisation of the Islamic Republic of Iran on an official goodwill visit to Korea.

It was handed by head of the delegation Hasan Ghafurifard, vice-president and chairman of the organisation, to Vice-president Yi Chong-ok.

Sports Agreement Reached With Iranian Delegates

SK0208130591 Pyongyang KCNA in English
1041 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—An agreement on cooperation in sports between the State Commission of Physical Culture and Sports of the DPRK and the Physical Training Organization of the Islamic Republic of Iran was inked in Pyongyang today.

It was signed on our side by Kim Yu-sun, chairman of the State Commission of Physical Culture and sports, and on the Iranian side by Hasan Ghafuri-fard, vice-president and chairman of the organization.

Al-Qadhdhafi, 'Arafat, Others Greet Kim Il-song

SK0208050091 Pyongyang KCNA in English
0412 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, received messages or congratulatory messages from Yasir 'Arafat, president of the State of Palestine and chairman of the Executive Committee of the Palestine Liberation Organization, Didier Ratsiraka, president of the Democratic Republic of Madagascar, Mu'ammar al-Qadhdhafi, leader of the great September First Revolution of the great Socialist People's Libyan Arab Jamahiriyah, Dilip Barua, general secretary of the Central Committee of the Communist Party of Bangladesh (Marxist-Leninist), and Dogu Perincek, chairman of the Central Committee of the Socialist Party of Turkey, on the occasion of the month of anti-imperialist joint struggle and the day of victory of the Korean people in the Fatherland Liberation War.

They extended congratulations and solidarity to the Korean people on this occasion.

They affirmed steadfast support for all the fair and aboveboard proposals and initiatives for the reunification of the Korean peninsula including the proposal for reunification through a confederacy put forward by President Kim Il-song.

Kim Yong-nam Meets Pakistani Ministry Delegates

SK0208053891 Pyongyang KCNA in English
0427 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—Vice-Premier and Foreign Minister Kim Yong-nam met and had a friendly talk with the visiting delegation of the Ministry of Information and Broadcasting of Pakistan headed by Hassan Raza Pasha, assistant secretary of the Ministry, at the Mansudae Assembly Hall on August 1.

Noting that to develop relations between Pakistan and the DPRK is a will of the governments and peoples of the two countries, the head of the delegation vowed to make strenuous efforts to expand and develop the friendly relations.

Saying President Kim Il-song is wisely leading the Korean people, he sincerely wished the president, the greatest leader of the present times, good health and long life.

This time I came to know well that the Korean people are guided by the very wise leadership, he said, and expressed the firm belief that Korea would grow richer in the future.

Appreciating the sincere efforts the DPRK Government and people are exerting to achieve national reunification, he wished success to the inter-Korean high-level talks.

Kim Yong-nam answered questions put by the delegation.

Foreign Delegations Arrive for Visits

SK0208125791 Pyongyang KCNA in English 1040 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—Nelson T. Mawema, director of a department of the Central Committee of the Zanu-PF [Zimbabwe African National Union Patriotic Front] and chairman of the Zimbabwean national committee for the study of the chuche idea, and a delegation of the Ayn Shams University of Egypt led by Mohamad al-Fawzi al-Sharawi, its vice-president, arrived here today.

A RSFSR [Russian Soviet Federated Socialist Republic] forestry delegation headed by Vladimir Melnikov, chairman of the state cooperative "Rossiskie Resopromyshleniki", arrived here on August 1.

An Ukrainian pupils delegation of the Soviet Union led by A.M. Briyan arrived on the same day.

Kim Chong-il 1974 'Monumental' Article Praised

SK0208122891 Pyongyang KCNA in English 1013 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—NODONG SINMUN today runs an article on the lapse of 17 years since the dear leader Comrade Kim Chong-il published a work which is of great importance in strengthening the Workers' Party of Korea into a chuche-type revolutionary party.

In the monumental work published on August 2, 1974 which made a historic contribution to developing in depth in an all-round way the theory of building a chuche party, the dear leader, basing himself on a scientific analysis of the requirements of our party and revolution at a new high stage of development, advanced militant tasks to firmly build up the ranks of the party and the revolution politically and ideologically, strengthen the party guidance of socialist economic construction and improve the system and method of party work.

The work is a great programme of party building which clearly indicated the way of fundamentally improving the party work as a whole as required by the modelling of the whole society on the chuche idea, the paper says in a signed article, and continues:

The work inherited pure and clean the great leader President Kim Il-song's unique theory and tradition of party building and developed them in depth as required by the developing revolution at a new high stage. The historical position of the work lies in that it expounds in an all-round way the theoretical and practical matters in the cause of party building in a glorious period of inheriting and accomplishing the revolutionary cause.

The most important significance of the work is that it clearly indicates the way of building our party in a prospective way under the slogan of modelling the whole party on the chuche idea.

The dear leader Comrade Kim Chong-il said:

"Looking into the future of its development and the revolution our party laid down the strategic policy for transforming the whole society in line with the chuche idea and, as its precondition, strove to accelerate the modelling of the whole party on the chuche idea."

The work defines the modelling of the whole party on the chuche idea as the prerequisite and the key to the modelling of the whole society on the chuche idea and expounds in an all-round way its essence, tasks and the ways of fulfilling them.

The period since the publication of the work has been a praise-worthy course in which the validity and might of our party's unique theory of building a chuche-type party and its policy of modelling the whole party on the chuche idea have been proved unreservedly. This period has witnessed great victories and successes without precedent in the history of building our party. All the achievements in the building of our party in the 1970s, the 1980s and the 1990s clearly show that when the leader and a great guide boundlessly faithful to his cause stand in the van of the party and the revolution, every problem in party building can be solved brilliantly without any turn or twist.

The achievements made in the course of fulfilling the tasks set out in the work are that the revolutionary nature of our party has strictly been defended and the party has taken on clear looks as a revolutionary party of chuche type and the most important task of party building for ensuring continuity of the leadership has been fulfilled successfully.

The work comprehensively expounds the theory and ways of firmly laying the organisational and ideological foundation of the party and thoroughly establishing the leadership system, the key point in ensuring continuity of the party's leadership, and the tasks of all party organisations and officials at all levels to implement them. In this way, the work has made an immortal contribution to opening an endlessly bright future of our party building.

We can note with great pride that the issue of succeeding the party's leadership, the fundamental issue decisive of the future destiny of the party and the revolution, has been most successfully solved.

Talk on Kim Chong-il Leadership in Farm Work

SK0108134791 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 24 Jul 91

[Unattributed talk: "He Leads Our People To Implement the Agriculture-First Policy"]

[Text] We have achieved outstanding agricultural crops thanks to the wise leadership of the dear leader Comrade Kim Chong-il, who has encouraged our people to implement the agriculture-first policy, which he has meticulously overseen, upholding the lofty will of the great leader. The dear leader Comrade Kim Chong-il not only has called the entire party, the whole country, and all of the people to join in plowing the cornfields, but has also led them to support farm work in rural villages vigorously, including rice transplanting and weeding, instilling the attitude that they are the master. Thus, the dear leader has made outstanding and satisfactory farm crops grow before us today.

All of us who think of the wisdom of the leadership of the dear leader Comrade Kim Chong-il—who leads our people in implementing the agriculture-first policy—remember what they have done in the past. One day in early January in 1990, the first year of the nineties, the dear leader Comrade Kim Chong-il, who upholds and follows the lofty will of the great leader, met functionaries to explain the cardinal task for that year. At the meeting he stressed again the need to implement the agriculture-first policy, saying: Proper farming is important in fulfilling this year's plan.

At the same time, stressing that party organizations at all levels should pay deep attention to various problems arising in farming, the dear Comrade leader clarified tasks that arise in doing farm work properly. In particular, the dear leader Comrade Kim Chong-il stressed the need to vigorously accelerate, as a mass movement, various large-scale waterway construction projects, including the construction of waterways to supply the Sohae lockgate water to South Hwanghae Province and South Pyongan Province; water reservoir construction projects; and dry field irrigation system construction projects, including water sprinkler irrigation system construction. This will raise the success of the completed irrigation system to a higher stage, and will bring victory to the agricultural front.

Thanks to the energetic leadership of the party, large-scale waterway construction projects were successfully completed on the eve of rice transplanting season. As a result of this, the water of life has come to paddy fields, dry fields, and reclaimed tideland in the west coast even in the drought season.

Based on these successes the dear leader Comrade Kim Chong-il vigorously led the entire party, the whole country, and all of the people in assisting in farm work in order to grow large bumper crops. So, those cooperative farms where a large mechanized (?army) was mobilized became unprecedentedly brisk with farm work supporters.

Unlike industry, agriculture is subject to seasonal restrictions. Therefore, if a proper seasonal opportunity for farm work is missed, it will be difficult to increase crop yield.

Deeply fathoming the characteristics of agricultural production, the dear leader Comrade Kim Chong-il has led our functionaries and people always to a deeper interest in farm work and in finishing farm work in a timely manner.

On 16 February 1984—he should be blessed by the people on this day—the dear leader Comrade Kim Chong-il convened a consultative meeting of responsible functionaries of the party Central Committee and made a valuable speech about the people's living. In the speech the dear leader indicated: To promote the people's living, it is first imperative to farm properly. Various agricultural products, including good grains, can be produced in large quantities. The food problem of the people solved only if farming is done properly.

Saying that strong support for the rural economic sector is imperative for proper farming, the dear leader stressed the need to produce farming materials, compost, and other materials necessary for farming; the need to send them to rural villages; and the need to be responsible in guaranteeing the manpower for rural village support during the cold-nursery rice seeding period and the rice transplanting period. Every page of our history, in which golden ears of rice have waved and the song of good harvest has resounded on this land every year, bears witness to such leadership of the dear leader Comrade Kim Chong-il.

In 1977 the respected and beloved leader set the militant goal of 8.5 million tons of food grains by introducing an innovation in the agricultural sector on the basis of the production of 8 million tons of food grains in 1976. Producing 500,000 tons of food grains more than the previous year, a bumper year, from the same farm land was inconceivable under normal conditions.

At that time, however, with firm faith the dear leader Comrade Kim Chong-il led the entire party, the whole country, and all of the people in implementing this task. Later he convened a consultative conference of reponsible functionaries of the party Central Committee and said at the conference: Only when we reach the goal of 8.5 million tons of food grains by overcoming the effects of the cold front can we say that we have fulfilled our responsibility to the leader, the party, the state, and the people. The reserves for producing 500,000 tons of food grains are to enable the entire party, the whole country, and all of the people to implement more thoroughly the chuche-oriented farm method.

Later he organized powerful agricultural guidance teams and sent them to rural areas. Thus, he led the teams to thoroughly grasp and guide farm work, particularly the implementation of the chuche-oriented farm methods.

The dear leader Comrade Kim Chong-il not only led the agricultural guidance teams in finishing rice transplanting work and corn humus pot temporary planting work in a timely manner under the principles of the right crop in the right season and the right crop at the right

place, he also saw to it that the agricultural guidance teams correctly and responsibly guided the chuche-oriented farm method.

At that time, the dear leader Comrade Kim Chong-il was especially interested in quickly finishing the jiffy rice planting while guiding farm work. The weather was so bad because of the cold front. Under such bad conditions, expediting the farming processes was a decisive factor in determining the success of the farm work that year. In an effort to overcome such an unfavorable situation, the dear leader Comrade Kim Chong-il firmly adhered to the principle of concentrating all strength in rural villages on farm work and saw to it that the entire party, the whole country, and all of the people vigorously supported rural villages materially and with labor and that the agricultural guidance teams fully planned and organized organizational and political work among farmers so that rice transplanting could be finished quickly.

As a result of this, Naerim and Pokchi cooperative farms in Chaeryong county and Saegil, and Yongtong of Sinchon county finished rice transplanting ahead of schedule. Hearing this, the great leader was very pleased and satisfied and taught that these cooperative farms should be introduced to cooperative farms throughout the country.

Certain functionaries knowledgeable about this teaching of the respected and beloved leader—the dear leader Comrade Kim Chong-il—led the agricultural guidance teams in strengthening political work among farmers in order to generalize the experience in the Naerim, Pokchi, Saegil, and Yongtong cooperative farms—which had briskly finished rice transplanting—and thus to effect upsurges in transplanting battles on a continuous basis.

Thanks to such energetic leadership of the dear leader Comrade Kim Chong-il, in the spring of that year, a year when the weather conditions were very bad, cooperative farms throughout the country were able to finish rice transplanting quickly, and thus take the first step in reaching the goal of 8.5 million tons of food grains.

Thanks to such wise leadership of the dear leader Comrade Kim Chong-il, we have enjoyed a bumper crop on this land every year.

Construction of Power Stations in Progress

SK3107153291 Pyongyang KCNA in English
1503 GMT 31 Jul 91

[Text] Pyongyang July 31 (KCNA)—Korea plans to increase the nation's generating capacity in the 1990s 2.5 times as against the 1980s.

As part of the project to fulfil the plan, more than ten large-scale hydraulic and thermal power stations are under construction in different parts of the country.

The constructors of the Namgang power station have built the dam scores of metres high with 430,000 cubic metres of concrete tamping, and those of Taechon power station No. 5 assembled dozens of sluice-gates of the dam in a short period.

The constructors of the Nyongwon, Orangchon and Kumyagang power stations are making successes in the building of dams, the tunnelling of water-channels and other projects.

Innovations are also reported from construction sites of thermal power plants.

At the East Pyongyang thermal power plant, the construction of the main building has been completed in the main and the boiler chimney some 200 metres high erected in a short time.

Boiler No. 1 has been built and boiler No. 2 is being assembled at the final stage and the assembling of equipment and the construction of the building of the coal crushing station are progressing at a fast pace.

At the December thermal power plant, the generating room, the coal unloading ground, the chemical filteration plant and other buildings hve been completed in the main and four 75-ton boilers assembled.

At the Sariwon thermal power plant, the construction of the buildings and the assembling of two boilers are being accelerated at the final stage.

The construction of thermal power plants in Haeju and Kim Chaek cities is also progressing apace.

800,000 More Tons of Iron Headings Produced

SK0208110991 Pyongyang KCNA in English
1010 GMT 2 Aug 91

[Text] Pyongyang August 2 (KCNA)—The Musan mining complex, a leading iron concentrate producer of the country, has turned out 800,000 more tons of iron headings during the first seven months of this year than in the like period last year.

In those months 2 million more tons of earth has been removed and the amount of work done by deep boring machines increased by more than 60,000 metres.

The complex plans to nearly double the output of iron headings this year.

The complex is regarded as the lifeline of metal industry in Korea and state investment is being increased. The extension of excavation is increasing and a new dressing plant is under construction.

And excavation and transport have been replenished with a large quantity of modern facilities.

The miners there are hastening prospective construction to create an annual capacity of more than 10 million tons of iron headings in the near future, while pushing ahead with production.

KCNA Review of 2 Aug Pyongyang Press

SK0208064791 Pyongyang KCNA in English 0509 GMT 2 Aug 91

[Press review]

[Text] Pyongyang August 2 (KCNA) - Papers here today carry a message of greetings President Kim Il-song of the Democratic People's Republic of Korea sent to Howard Cooke on his assumption of office as governor-general of Jamaica.

NODONG SINMUN prints a message of greetings Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea, sent to Makoto Tanabe on his election as chairman of the Central Executive Committee of the Japan Social-Democratic Party.

Given in the press is a message to President Kim Il-song sent by Yasir 'Arafat, president of the Sate of Palestine and chairman of the Executive Committee of the Palestine Liberation Organization (PLO) on the occasion of the month of anti-imperialist joint struggle and the day of victory in the Father Land Liberation War

Papers report that Comrade Kim Il-song received a message sent by Do Muoi in reply to the message of greetings on his election as general secretary of the Central Committee of the Communist Party of Vietnam.

NODONG SINMUN dedicates an article to the 17th anniversary of the publication of the dear leader Comrade Kim Chong-il's work on August 2, 1974 which made a historical contribution to comprehensively developing in depth the chuche theory of the party building. Thanks of the WPK Central Committee was conveyed to the teaching staff of the Nyongdong senior middle school, Hwasong County, North Hamgyong Province, who set an example in educating and rearing school children, says the press.

NODONG SINMUN carries a message of solidarity to the Central Committee of the Workers' Party of Korea sent by the Central Committee of the Progressive Party of the Working People of Cyprus in support of a joint statement of the political parties and public organisations of the DPRK and news that the WPK Central Committee received a message sent by the president of the African National Congress [ANC] of South Africa in reply to the message of greetings to the ANC national conference.

A meeting commemorating the 35h anniversary of the enforcement of the universal compulsory primary education system was held in Pyongyang, according to the press.

MINJU CHOSON carries an article on the wise leadership of Comrade Kim Chong-il under which the Anju District coal mining complex has been turned into the nation's major coal producer.

Given in the press is news that the Yongsong general machine bureau honored the July plan and the building of schools at all levels is being pushed ahead before the new school year.

The LSWYK [League of Socialist Working Youth of Korea] members and young people throughout the country effected innovations in production and construction in the threshold of the first day of youth (August 28), says NODONG SINMUN.

The dailies carry a telephone message to the "minister of Unification Board" and "minister of justice" of South Korea sent by the chairmen of the measure committee for the rescue of the Rev. Mun Ik-hwan and the Korean struggle committee for the release of Yim Su-kyong regarding the passage of the consolatory teams of all strata and school youth and children through Panmunjom.

The U.S. imperialists committed aerial espionage against the northern half of Korea, according to the press.

NODONG SINMUN runs an article denouncing the South Korean rulers for paying lip-service to "human rights" and "democracy," while enforcing colonial military fascist dictatorship.

Functions of solidarity with the Korean people were held in foreign countries on the month of anti-U.S. joint struggle and a statement of the DPRK Foreign Ministry expounding a new proposal for the denuclearisation of the Korean peninsula is evoking great repercussions upon foreign countries, says the press. NODONG SINMUN informs the readers that book "Modern Military Theory and Practice of Deng Ziaoping" was bought out in China, an extraordinary meeting of the Japan Social-Democratic Party was held and the Japanese "ASAHI SHIMBUN" reported that evidences of the conscription of Koreans during the Japanese imperialist rule were discovered.

Foreign news columns of the press include reports that the Egyptian president exposed Israelis moves to harass peace in the Mid-east, the Singapore and Indonesian presidents outlined the need to strengthen bilateral and regional cooperation, the Indonesian paper MERDEKA rejected Japan's overture to make the talks between ASEAN and the United States, Japan, Canada and other dialogue partners a rostrum which discusses security issue.

In an article titled "What Does Anti-DPRK Campaign Aim At" NODONG SINMUN condemns the United States for tricks against the DPRK as regards "nuclear problem". MINJU CHOSON carries an article entitled "Cooperation Between Asian Peoples Is Basic Condition for Building a New Asia".

NODONG SINMUN deals with the vigorous struggle to finally abolish racism in South Africa.

South Korea

Yon Hyong-muk Names North Delegates to Contact

SK0208055591 Seoul KBS-1 Radio Network in Korean 0500 GMT 2 Aug 91

[Text] In a telephone message sent to Chong Won-sik, prime minister, today, Yon Hyong-muk, premier of North Korea's Administration Council, said that Paek Nam-chun, senior secretary of the Committee for the Peaceful Reunification of the Fatherland, and Choe Ho-chin, ambassador-at-large in the Ministry of Foreign Affairs, were nominated as the North side's delegates to the working-level contact, slated for 5 August at Panmunjom, for the preparations of the fourth North-South high-level talks.

Discussion on North Denuclearization Proposed

SK0108110991 Seoul YONHAP in English 1051 GMT 1 Aug 91

[Text] Seoul, Aug. 1 (YONHAP)—South Korea, responding Thursday to a North Korean proposal for denuclearization of the Korean peninsula, counterproposed that the two sides discuss nuclear non-proliferation, first suggestion that the nuclear issue can be discussed at bilateral talks.

"The Korean Government takes note that North Korea's proposal concerning the establishment of a nuclear-free Korean peninsula as made in its Foreign Ministry statement on July 30, 1991, contains some new details compared with its previous proposals," said an official statement released by the South Korean Foreign Ministry spokesman.

It must be made clear, the statement said, that North Korea must accept full-scope inspection of all its nuclear-related materials and installations, including nuclear fuel reprocessing facilities.

"The fulfilment of this obligation cannot be linked with any other issue," it said, referring to Pyongyang's policy of linking the issues of U.S. nuclear weapons deployed in South Korea to its signing of the nuclear safeguards accord.

"After having made this clear, the Korean Government considers that, for the purpose of reducing tension and building confidence on the Korean peninsula, military and other methods including nuclear non-proliferation can be discussed between the South-North authorities in the future," it said.

This is the first indication by the Seoul government that the nuclear issue can be discussed between the two sides.

Vice Foreign Minister Yu Chong-ha on Thursday told a morning cabinet meeting that North Korea made a similar proposal in 1989 which suggested a tripartite declaration of denuclearization be signed by South and North Korea and the United States.

Tuesday's statement, however, suggested limiting the concerned parties to South and North Korea, Yu told the cabinet.

A ministry official said, however, that the inter-Korean discussion will not spread to the problem of U.S. nuclear weaponry in South Korea.

The two sides, he said, would be able to talk about nuclear non- proliferation between South and North Korea.

North Korea last Tuesday made a three-point proposal for denuclearizing the Korean peninsula. It said that Seoul and Pyongyang should jointly declare to make the peninsula nuclear free and that nuclear weapon states, including the United States, China and the Soviet Union, shall guarantee the nuclear-free status of the Korean peninsula.

Further on Denuclearization Proposal

SK0208035691 Seoul THE KOREA TIMES in English 2 Aug 91 p 1

[Text] The South Korean government announced yesterday that the North Korean proposal for a nuclear-free Korean peninsula is debatable only after Pyongyang accepts a full-scale inspection of its nuclear facilities, thus to clear up any international suspicions of the North going nuclear.

The Korean government "Notes" that the North Korean proposal for the denuclearization of the Korean peninsula contains "some new details" compared to its previous proposals, a Foreign Ministry spokesman said.

Ministry spokesman Chong Ui-yong said, "Military and other matters including nuclear non-proliferation can be discussed between South and North Korean authorities for the purpose of reducing the tensions and to build confidence," after North Korea signs the nuclear safeguards accord with International Atomic Energy Agency and opens all of its nuclear facilities, including reprocessing facilities, to a full-scale inspection.

However, the Foreign Ministry spokesman made it clear that North Korea's signing of the nuclear safeguards accord, an obligation of a signatory to the Nuclear Non-proliferation Treaty (NPT), should not be linked to any other issues.

The South Korean government's response came two days after North Korea renewed its proposal for the establishment of a non-nuclear zone on the Korean peninsula through a statement on Tuesday.

The issue is expected to be on top of the agenda for the inter-Korean prime ministers' meeting late this month in Pyongyang, though South Korea wishes to take on the agenda of promoting the inter-Korean exchanges.

Pyongyang suggested that South and North Korea adopt a joint declaration on a non-nuclear Korean peninsula by

the end of next year to be guaranteed by surrounding nuclear powers, the United States, China and the Soviet Union.

A Foreign Ministry official say, "At a glance, the North Korean proposal contains some reasonable points in that it recognizes South Korea as a partner to deal with on nuclear issues."

So far, North Korea has attempted to deal with nuclear issues with the United States, putting aside South Korea.

"Nevertheless, it is meaningless to denuclearize the Korean peninsula as long as surrounding powers, including the Soviet Union and China, maintain a nuclear presence on soil adjacent to the peninsula," said the official in charge of security affairs.

On the other hand, Seoul government officials say that it is more urgent for both Koreas to build mutual confidence by resolving "practical" issues, rather than talking about a nuclear-free Korean peninsula.

Government officials still regard the North Korean proposal of the denuclearization of the Korean peninsula as a peace overture to upgrade its image ahead of entry into the United Nations along with the South.

Joint Talks Should Cover 'All Topics'

SK0208092891 Seoul YONHAP in English 0752 GMT 2 Aug 91

[Text] Seoul, Aug. 2 (OANA-YONHAP)—South Korea believes discussions between Seoul and Pyongyang should not be restricted to making the Korean peninsula nuclear free but range freely over all topics of mutual concern, Foreign Minister Yi Sang-ok said Friday.

Seoul was willing to engage in military related negotiations with Pyongyang, including nuclear nonproliferation, but North Korea's signing and implementation of a nuclear safeguards accord and its full assurance to the world that it is not developing a nuclear arsenal had to precede any such talks, he said.

"It is premature for us to explicitly say what actions we will take when North Korea has not yet signed the nuclear safeguards accord," said Yi, who returned Friday from a post-ministerial conference of the Association of Southeast Asian Nations (ASEAN) following visits to Singapore, Indonesia, Thailand and Hong Kong.

Yi flatly denied any chance of South-North Korean talks covering the withdrawal of U.S. troops from South Korea.

"This particular issue is strictly between Seoul and Washington and cannot be subject to negotiations with North Korea," he said.

On the ASEAN meeting, he said that South Korea, as a full dialogue partner, pledged closer cooperation with all ASEAN member nations.

"We will strengthen our so-called Asia-Pacific politics," he said.

Thailand proposed joint business advancement with South Korea into Indochina after the Cambodian question is resolved, the foreign minister said.

South Korea will closely watch developments and positively review the proposal, he said.

Seoul Considers Tax To Pay for Reunification

SK0208092791 Seoul YONHAP in English 0543 GMT 2 Aug 91

[Text] Seoul, Aug. 2 (OANA-YONHAP)—Unification of Korea, if the German example is any guide, promises to be an expensive exercise and North Korea appears to be hardly in a situation to give any help, so the South Korean Government is looking for a way of raising some of the money that will be needed.

One idea being given careful consideration is a "unification tax," a government official said Friday.

As the government felt the burden should be divided among the pre- and post-unification generations, the unification tax would probably be levied for about 20 years, he said.

The West German Government promised it would not increase the people's tax burden to finance unification, but it now faces substantial economic difficulties because unification came much sooner than expected and a huge amount of money is required to support businesses and provide jobs in former East Germany, he said.

The Korean Government also fears resistance if it increases the tax burden at the time of unification and so it feels that ways to lighten divide the burden should be considered, he said.

He said the government would make a careful study before it introduced any new tax because there were many problems to solve before unification.

As the proposal is based on the presumption that unification would follow the German model, in which the capitalist west absorbed the communist east, other types of financing should be studied in case unification does not follow the German pattern.

The government was considering establishing a committee of experts to prepare for unification, he added.

Officials Consider Joint Venture With North

SK0208040791 Seoul THE KOREA TIMES in English 2 Aug 91 p 2

[Text] The government is considering joint-venture projects with North Korea in the North's special economic zone to be located on the Tuman (Tumen) River, a high-ranking government official said yesterday.

"If North Korea reveals a concrete plan to form a free trade zone comprising Chongjin, Najin, Unggi and Saebyol, our enterprises will be encouraged to set up factories there," he said.

Labor-intensive businesses, such as textile and footwear, may be given top priority in South Korea's economic projects in the special economic district, the official said.

He explained that such businesses can make the best use of South Korean capital and cheap North Korean labor.

Consumer goods factories, including those producing electric home appliances, will also be recommended, he said.

In preparations, the government is making intensive efforts to confirm North Korea's commitment to the much-touted development of the special economic zone, which was unveiled at a week-long regional meeting in early July in the Mongolian capital of Ulaanbaatar under the sponsorship of the United Nations Development Program, according to the official.

In the meeting, South and North Korea and China agreed to develop the area along the Tuman into a regional trade zone.

The official said that the South's participation in the project was necessary not only because of the abundant and cheap labor available, but because it would help accelerate preparation for national unification.

Deputy Premier-Unification Minister Choe Ho-chung recently confirmed the government's intention to actively promote joint ventures between the two Koreas in addition to direct trade.

The two halves of the peninsula recently began trading Southern rice for Northern cement and coal for the first time since they were divided in 1945.

The official said that consumer goods to be produced by joint-venture factories in the free trade zone would be exported in the first stage and only later sold to North Koreans.

The government may also propose joint exploitation of aggregates in North Korea in such areas as the Imjim River during the Aug. 27-30 inter-Korea premiers' talks in Pyongyang.

South Korea is now suffering from a serious shortage of gravel and cement due to the overheated construction boom. The official said that aggregate collected in the North would become a good income source for the North.

Meanwhile, leading government officials yesterday discussed basic strategies for the South-North prime ministers talks at the official residence of the prime minister. Attendees included Prime Minister Chong Won-sik, Deputy Premier-Unification Minister Choe Ho-chung, Defense Minister Yi Chong-ku and Information Minister Choe Chang-yun.

• North Korea Faces 'Worsening' Energy Crisis

912C0248A Seoul HANGUK ILBO in Korean
29 May 91 p 19

[Article by reporter Yi Kye-song: "On Every River and Stream Small Water Generators Are Being Built"]

[Text] To relieve the severe shortage in electric power and energy, North Korea has mobilized manpower to build "miniature hydroelectric-power stations," which are based on small dams created by blocking mountain streams.

At the 19th plenary session of the fifth party Central Committee in December 1979, North Korea decided to "build Hachon dam and small hydroelectric-power stations." In accordance with this policy, North Korea has been working on projects to construct medium- and small-scale hydroelectric-power stations at 70-150 locations in each province.

According to North Korea, it has completed construction of power stations at 690 places over the past 10 years. On 11 May, Pyongyang Central Broadcasting Network announced that North Korea plans to build 20 rapid-stream power stations over some 400-ri of the Changcha River which is an upper stream of the Tokro River that runs from the Nangrim Mountains to Kanggye in the northern area through the central part of Chakang Province.

The Changcha River is an upper stream of the Tokro River that originates in Chok-yu Ridge in the Nangrim Mountains. It is said that the construction of small rapid-stream hydroelectric power stations was planned along this river because its fall and water volume are high and because it is inadequate for a large-scale dam because of narrow valleys.

It is said that once the dams have been built, North Korea will set up fish-farms in 20 some lakes and plans to operate passenger boats in larger lakes to connect Kanggye City and remote places in the mountains. The small hydroelectric power station here can generate only 10,000 kilowatts. So, even if 20 some stations are built, they will not add up to the current capacity of the Kanggye Youth Power Station (whose capacity is about 246,000 kilowatts). The energy crisis in North Korea did not happen overnight.

According to an official report from the Korean Central News Agency on 6 April, North Korea generated 55.5 billion kilowatts per hour in 1989. According to another report, however, it produced 54 billion kilowatts in 1985 which fell to 53 billion kilowatts in 1988 and increased to 55.5 billion kilowatts in 1989. Judging by such a rate

of increase, it would be difficult to achieve its goal of producing 100 billion kilowatts under the Third Seven-Year Plan (1987-1993).

But this figure is only for the capacity of power generation facilities. It is said that the actual quantity of power generated remains about half of the total capacity because of insufficient water volume in the case of hydroelectric power and because of a setback in supplies of crude oil and coal in the case of thermoelectric power.

In addition, at the end of 1989, total power generation capacity in North Korea was 690,000 kilowatts, of which 405,000 kilowatts were for hydroelectric power and 285,000 kilowatts were for thermoelectric power. As for a nuclear power plant, North Korea is operating two small nuclear generators in Yongpyon for research purposes. However, because of disputes with the USSR on the issue of nuclear inspection, North Korea has not even started construction of a 176,000-kilowatt plant which was supposed to be built during the period of the Third Seven-Year Plan.

Last year, the worsening of the energy crisis in North Korea was reported in several ways.

The USSR said the energy problem disabled operation of 50 percent of North Korean factories, and reporters and Koreans abroad who visited Pyongyang last year and this year observed a similar situation. For example, it is said that only one side of the streets was lit and subways were barely lit when there were not many pedestrians around, indicating a strict observation of the "energy conservation movement." Even the elevators in hotels for foreigners were not automatic but required human intervention to make them move.

Until the Korean war, North Korea derived more than 90 percent of its energy from hydroelectric power, but since then it has built many thermoelectric power plants. As of the end of 1988, the ratio between hydroelectric plants and thermoelectric plants was six to four. During the period of 1971-1988, thermoelectric power increased by 9.6 percent per year, whereas hydroelectric power increased by 3.6 percent per year, showing a rapid increase in thermoelectric power.

Since 1989, however, thermoelectric power reached its limit, it is said, because of insufficient supply of crude oil from the USSR and because of reduction in production of anthracite coal due to obsolete equipment and outdated coal mining technology. Moreover, following the USSR, China has begun to demand payment in international currency for future purchases of crude oil, which makes it more difficult for North Korea to build additional thermoelectric power plants.

Thus, North Korea inevitably turned to development of small hydroelectric power stations in 1987 because it could no longer depend on nuclear and thermoelectric power.

To achieve the goal of generating 100 billion kilowatts of electric power by 1993 under the Third Seven-Year Plan, North Korea has worked with the USSR and China on development of thermoelectric and hydroelectric power, respectively. The USSR supported expansion of the Pukchang Thermoelectric Power Plant (200,000 kilowatts). Also, North Korea has been working independently to build the second plant on the Chongchon River and the Hamhung Thermoelectric Power Plant.

Last year, jointly with China, North Korea completed construction of the Wiwon Power Plant (390,000 kilowatts) and the Taepyongman Power Plant (190,000 kilowatts) on the Aprok River. In addition, the Taechon Hydroelectric Power Plant (800,000) is partially operational.

Until 1989, North Korea worked on construction of small hydroelectric power stations in 355 places, including: 150 in North Hwanghae Province, 50 in South Hwanghae Province, 25 in North Hamkyong Province, 100 in North Pyongan Province, and 30 in Yangkang Province. In 1990, it worked in 200 places in North Hamkyong Province, 200 places in South Hamkyong Province, and 120 places in Kangwon Province. This year, North Korea plans to concentrate on the remaining area, places in Chakang Province.

North Korea named this project "Great Nature Reform Project." It mobilized members of the Three Revolutions Teams and is putting all its energy into construction work. Despite the hard work, however, it will be difficult to overcome the energy crisis because deterioration of facilities for power transmission and distribution could result in a significant loss of power.

* U.S. Products Ready for South Korean Markets

* No Government Protection

912C0232A Seoul TONG-A ILBO in Korean
14 May 91 p 5

[Article by reporter Yi Kyu-min: "The Effect of Direct Sales by Large U.S. Firms"]

[Text] The movement by large foreign manufacturing companies to participate in the domestic distribution market has started to emerge as a serious threat to domestic manufacturing companies.

When the plan to open the domestic distribution market was announced, the policymakers, including the government and industries, were only concerned with foreign department stores, chain stores or other distribution businesses. They neglected the effect of direct participation of foreign manufacturing companies.

The Ford company's recent interest in direct sales to Korean consumers and the U.S. Commerce Department's notification to the Korean Government of the kinds of businesses that are interested in participating in the Korean distribution market made it clear that the

U.S. manufacturing companies will participate in the domestic distribution market.

It is, therefore, anticipated that the opening of the distribution market will have a strong and direct impact not only on the distribution businesses but also on overall domestic manufacturing industries.

So far, there have been limited imports of major foreign goods for domestic sales.

Most of these items, however, have been imported by domestic manufacturing companies that produce similar products. Thus the effect of sales of imported goods on domestic manufacturing industries has been insignificant.

For example, in consideration of the people's opinion, the Kia Company, which has been importing Ford's Sable, and domestic home appliance manufacturing companies, which import large refrigerators, have not been actively selling imported goods. In addition, since the price of such imported goods was set very high because of a large margin, sales of these items were not high enough to have a substantial negative effect on domestic businesses.

The situation will change, however, when foreign manufacturing companies supply their goods directly to their own sales network in the domestic distribution market starting from July 1991.

It is crystal clear that domestic industries will be greatly affected in the event that, for instance, Sony opens retail sales offices in the electronic goods market in Yongsan, Seoul and sells 21-inch or bigger color TV's, which are not controlled by the government, at a cheaper price, or when General Electric sells home refrigerators larger than 900-liter capacity that have been popular with Korean consumers directly to consumers.

In the case of automobiles, if the import tax is reduced by 15 percent in 1992 and by another 10 percent in 1994 according to the government plan, and if the U.S. automobile manufacturing companies join the domestic distribution market with strategically low prices, it is doubtful how long domestic automakers will be able to sustain their competitive edge.

If U.S. automakers, with their strong financial backing, use their domestic marketing strategies, such as cash rebates or 60-month-interest-free installment payments, the effect on domestic automakers would be enormous.

On the other hand, there are positive aspects in the opening of the distribution market.

The most important aspect of opening the market is to induce domestic industries to increase their competitiveness and to reduce domestic sales prices. Thus far, since the market was not fully open, domestic manufacturing companies have had exclusive control over the distribution market of imported goods, thus producing more negative effects. The situation is expected to change if the distribution market beomes fully open.

The problem is how much can domestic industries, which are weak in competitiveness compared to giant foreign companies, withstand the shock of opening the market.

The government's industrial policy has been to protect domestic industries and to help them grow.

The opening of the distribution market, however, means that there will be no practical protection of domestic industries by the government. Furthermore, the government will find it very difficult to provide strategic assistance for industries to grow, because it is against the Uruguay Round's fair trade policy. It can thus cause international trade friction.

It is difficult to accurately predict at this point how many foreign manufacturing companies will actually participate in the domestic distribution market when it is fully open.

It is also difficult to quantify how well foreign companies will achieve their business goals, and how much domestic industries will suffer.

Since the government made it official to the outside world, the opening of the distribution market as of July is a fact.

Even in the event that the government has to intentionally control the distribution of foreign goods to prevent serious adverse effects, there is no good method of controlling it, other than after-the-fact type of control.

The after-the-fact control will not be effective, however, since it will happen after substantial damage has been done to domestic industries. It will also be a source of international trade friction.

For domestic industries, therefore, the era of growing under the government's protection is gone.

The answer to the question as to how much we can reduce the damage to the domestic economy caused by the opening of the distribution market is totally in the hands of consumers and industries.

*Editorial on Korean Industrial Survival

*912C0232B Seoul TONG-A ILBO in Korean
14 May 91 p 2*

[Editorial: "American Goods Are Coming"]

[Text] The distribution market will be wide open from the second half of this year. Although it has been scheduled according to the result of the Uruguay Round, the timing of direct sales of U.S.-made cars and home appliances appears to have come too soon.

Consumers, distribution industries, and manufacturing sectors are not adequately prepared to cope with the

situation. The same is true of the government. According to the original schedule, the government planned only to allow the expansion of work spaces for the fast food and convenience stores and the increase in the number of these stores this year, and anticipated that the overall opening of the market would be made in 1993.

However, the situation is rapidly changing. After the Persian Gulf War, the world entered an era of a single superpower. The world economic order is being restructured, centered on the United States. Under such circumstances, we are in a difficult position to delay an extensive opening of the domestic distribution market that the United States is demanding.

According to the Ministry of Trade and Industry, the United States is seriously preparing for direct sales in Korea by setting up a distribution network of 15 items, including automobiles, home appliances, computers, and wholesale liquor, starting from July 1991. The Korean Government was notified of this by the U.S. Department of Commerce, after surveying U.S. businessmen.

These items are being sold even now in the Korean market. They have been sold, however, by Korean importers and through the Korean distribution system. In the event that the U.S. firms launch direct sales in the Korean market, the picture will be different from the limited sales by Korean firms.

First of all, U.S. firms do not have to worry as much about concerns of the Korean Government and consumer activist groups as Korean firms. The more sales, the better for U.S. firms. In order to achieve as much sales market share as possible at an early stage of the game, U.S. firms will most likely offer better sales terms than those in the United States. It is questionable how the Korean Government will be able to control their sales pitch.

Second, it will be difficult to overcome the disadvantages resulting from the difference in service, price, and quality of goods. Even if the quality and the price of Korean goods are comparable to those of U.S. goods, a slightly better sales technique by the U.S. firms will substantially reduce the competitive edge of Korean goods.

Furthermore, computerization of the domestic distribution system is far behind that of the United States. First-class domestic department stores are only about 40 percent computerized, and the others are far less so. The gap in the product development technique, considering, for example, the practicality of fashion, cannot be reduced in a short period of time.

Nevertheless, the size of the domestic distribution industries will clearly indicate how poorly our industries and the government have been preparing for such a situation. As of July 1990, 92.1 percent of the wholesale and retail businesses, restaurants, and lodging industry employ fewer than five employees. Among the retail businesses, 97.8 percent of them employ fewer than five employees. How can these small businesses compete directly with U.S. firms having powerful financial backing?

Since it is only a matter of time before the U.S. firms start direct sales in Korea, there is no choice but to develop a joint strategy by the government and industries, in order to take advantage of such an opportunity to improve the competitiveness of domestic goods. The efforts may include the development of chain and cooperation systems of the wholesale and retail businesses, direct management of manufacturing industries, and further cost-reduction efforts. With the current sales technique, domestic sales people cannot compete with their U.S. counterparts. Even customer service is substantially different from area to area. For example, service in markets in affluent areas is better than that in the less affluent areas. Domestic sales should develop more consumer-oriented sales techniques in order to cope with internationalization of the distribution market.

Ministry Official on ROK-U.S. Security Issue

SK0208073591 Seoul YONHAP in English 0445 GMT 2 Aug 91

[Text] Seoul, Aug. 2 (OANA-YONHAP)—South Korea and the United States have agreed that Seoul should take the initiative in security policies on the Korean peninsula, including nuclear matters, a senior Foreign Ministry official said Friday.

The United States explicitly acknowledged South Korea's initiative in a State Department statement on Thursday, and on Tuesday North Korea named South Korea the principal negotiating partner in a proposal for denuclearizing the Korean Peninsula, he said.

"Under such circumstances, there can no longer be securities negotiations between North Korea and the United States," said the official, who declined to be identified.

The government, by steering the future security arrangement on the Korean peninsula, will take on a bigger responsibility in the international community, he said.

"If, in the course of negotiations with North Korea, Seoul and Pyongyang are able to reach complete accord on nuclear issues, we believe the United States could change its nuclear policies on the Korean peninsula," the official said, suggesting that Washington may adjust its long-held "neither confirm nor deny" principle on nuclear deployment abroad.

There remains a strong possibility that Pyongyang, with its potential to develop nuclear devices, will try to retain a "nuclear option" in the belief that the military balance on the peninsula is in its disfavor even if it fulfills its obligations under the Nuclear Non-Proliferation Treaty, he said.

It is the government's position that this possibility must be thoroughly discussed through inter-Korean dialogue," the official said. It would be better to establish a separate dialogue channel between experts for negotiation on nuclear development, he added.

Possible Consulates Opening in Soviet Cities

SK0208091391 Seoul TONG-A ILBO in Korean 1 Aug 91 p 2

[Text] ROK consulates will open in three Soviet cities—Khabarovsk, Alma Ata, and Leningrad—before the end of the year at the earliest, and a Soviet consulate will open in Pusan.

The Foreign Ministry, which has been reviewing the opening of consulates since diplomatic relations between the ROK and the Soviet Union were established last year, made a final decision to open consulates in Khabarovsk in the Soviet far east; Alma Ata, the capital of Kazakh Republic; and Leningrad. The Foreign Ministry began preparations for concluding a treaty with the Soviet side on opening consulates. This was learned on 1 August.

A high-ranking government official said that "the government studied the issue of establishing consulates in seven or eight major Soviet cities, including Sakhalin, Nakhodka, and Tashkent. Considering the number of Korean residents and the degree of political and economic importance, the government finally decided on three cities, including Khabarovsk." He added that the Soviet side hopes to open a consulate in Pusan based on the principle of reciprocity.

This official noted that "the government will expedite the conclusion of a treaty with the Soviet side to open consulates so that the consulates of both sides can be opened before the end of the year at the earliest." He said the government is also studying the issue of opening a consulate in Vladivostok and then closing the one in Khavarovsk, when Vladivostok, a naval port, is completely open to the public.

Yi Sang-ok Links Simultaneous UN Entry, PRC

SK0208065091 Seoul YONHAP in English 0635 GMT 2 Aug 91

[Text] Hong Kong, Aug. 2 (YONHAP)—Simultaneous admission of South and North Korea into the United Nations in September will help normalize relations between Seoul and Beijing, South Korean Foreign Minister Yi Sang-ok predicted Friday.

"U.N. entry will not mean early normalization of ties with China, but it will surely better conditions for the establishment of formal ties between Seoul and Beijing," he told Hong Kong-based Korean correspondents over breakfast. Yi arrived here Thursday on his way home from Kuala Lumpur.

He denied reports that Seoul will normalize relations with Beijing by the end of the year.

"It's unthinkable to set a deadline in the pursuit of diplomatic relations. Our government has never set such a policy objective, nor has President No (Tae-u) given such a directive," Yi said.

"It is true, however, that our government has been making efforts to normalize relations with China at an early date and we will continue such efforts."

North Korea filed a membership application with the United Nations early last month and South Korea plans to follow suit on Monday. Both Koreas currently have observer status at the world body.

In Kuala Lumpur, Yi attended a post-ministerial conference of the Association of Southeast Asian Nations (ASEAN) as head of the South Korean delegation. Korea was attending the session for the first time as a full dialogue partner of ASEAN.

Asked to comment on a Malaysian proposal for an Asia-Pacific economic group, Yi said the six ASEAN members had not yet reached a consensus on the matter, presumably because it excludes China and the United States.

"We'll wait and see how the ASEAN members coordinate their opinions," he said.

ASEAN's members are Brunei, the Philippines, Singapore, Thailand, Indonesia and Malaysia.

Shipping Firms To Use Ethnic Koreans in China

SK0208075191 Seoul YONHAP in English 0520 GMT 2 Aug 91

[Text] Seoul, Aug. 2 (YONHAP)—South Korean shipping companies are to be allowed to employ ethnic Koreans from China as sailors to solve their manpower shortage, the Korea Maritime and Port Administration [KMPA] said Friday.

It will be the first time foreigners with Korean ancestry have been hired as seamen by Korean companies, a KMPA official said.

The Korea Shipowners' Association (KSA) submitted an application to KMPA on July 24, after it agreed with the Federation of Korean Seafarers' Unions to permit foreigners to work on Korean-flag ships.

KMPA is discussing procedural matters concerning the hiring of Chinese of Korean extraction with the Economic Planning Board and other concerned ministries and hopes to reach a decision through a resolution by the working-level committee for northern economic policy this month.

Six companies, including Korea Line Corp. and Hyundai Merchant Marine Co. Ltd., want to employ 108 foreign sailors, according to the KSA application submitted to KMPA.

All of them are ethnic Koreans living in Yanji City in the Yanbian Korean Autonomous District in Jilin Province and are in training at the Dalian sailors' school.

DLP Factional Feud Over Candidate Continues

SK0208065691 Seoul YONHAP in English 0103 GMT 2 Aug 91

[Text] Seoul, Aug. 2 (YONHAP)—The ruling Democratic Liberal Party (DLP) is again entangled in an intense dispute over the selection of the successor to President No Tae-u, with the No. 2 man vowing to use any means to discuss the issue early.

DLP executive Chairman Kim Yong-sam, who abandoned a lifetime in the opposition last year to help No create the nation's largest-ever ruling party, is determined to be named DLP presidential candidate in a national convention if No does not handpick him as the party's nominee, according to Kim's aides.

Kim has met a handful of No's men, including political adviser Choe Yong-chol and DLP Secretary-General Kim Yun-hwan, in Cheju, where he is staying on the pretext of vacationing. The contents of the talks were not revealed, but it is presumed they did not please Kim Yong-sam.

"We believe the party should first make it clear who will step into President No's shoes. Executive Chairman Kim will demand that the party convene a national convention before the end of the year to let the nation know who will succeed the president," according to one of Kim's aides.

No's tenure expires in February 1993, and he cannot run for a second term.

Rep. Sin Kyong-sik, Kim's chief secretary, told reporters on Thursday that Kim was ready to accept a free competition for the DLP nomination.

"The executive chairman expressed his readiness for a free intra-party competition when he met with DLP Secretary-General Kim Yun-hwan in Cheju on Wednesday," Sin said.

Other DLP factions strongly oppose both the early convocation of a national convention and the nomination of a presidential candidate before the election campaign begins.

Since DLP was born out of a merger of No's Democratic Justice Party, Kim Yong-sam's Reunification Democratic Party and Kim Chong-pil's New Democratic Republican Party in early 1990, critics say it has been beset by ceaseless factional feuding.

The factions led by No and Kim Chong-pil contend that the DLP should choose its presidential candidate in a national convention in May to follow the general elections in February.

Kim Chong-pil, a DLP co-chairman, lashed out at Kim Yong-sam on Thursday.

"Selection of the next presidential candidate should be discussed next year. To discuss the subject now is to defame President No. He still has one and half years to go in office," the former prime minister said.

He also hinted that it was possible the DLP would seek to amend the constitution to replace the presidential government system with a parliamentary cabinet system.

"President No surely has his own plans for the next power structure," Kim Chong-pil said.

No has repeatedly said he would not try to change the basic law as long as the public opposes it, but the topic persistently remains on the political agenda.

Kang Yong-hun Elected Red Cross President

SK0208080691 Seoul YONHAP in English 0718 GMT 2 Aug 91

[Text] Seoul, Aug. 2 (YONHAP)—Former Prime Minister Kang Yong-hun was elected president of the Korea National Red Cross [KNRC] by the KNRC Central Committee in a meeting Friday. He replaces Kim Sang-hyop, whose term expires Aug. 11.

If President No Tae-u approves his election, Kang will take office on Aug. 12. No is honorary KNRC president.

Kang, 69, is a native of Changsung, North Pyongan Province in North Korea. He has served as dean of the graduate school of Hankuk University of Foreign Studies, director of the Institute of Foreign Affairs and National Security, ambassador to Britain and ambassador to the Holy See.

As premier, Kang held three historic rounds of talks with his North Korean counterpart in Seoul and Pyongyang last year.

Two Day Economic Conference With Taiwan Opens

SK0208033091 Seoul THE KOREA HERALD in English 2 Aug 91 p 6

[By Korea Herald correspondent Yi Kap-su]

[Text] Taipei—Korea and the Republic of China [ROC] opened the 24th Korean-Chinese Economic Ministerial Conference here Thursday for a two-day run.

At the annual meeting, Korean Minister of Finance Yi Yong-man said that the two countries should seek ways to jointly cope with rising protectionism in industrialized countries and promote economic tie-ups in the fields of finance, construction and science.

"In particular, I feel there is a growing necessity for Seoul and Taipei to closely cooperate with each other in major projects, including the ROC's ambitious $300 billion six-year national development project being propelled from this month," he said.

Minister Yi arrived here Wednesday, leading a 23-member Korean delegation.

Noting that Korean enterprises have considerable interests in the Chinese economic development programs, he requested the Chinese to provide Korean construction and trading companies with more opportunities to participate in the large public projects under favorable conditions.

Minister Yi also stressed the need to exchange economic exports, tax officials, plus "promising" farmers and fishermen between the two countries for the expansion of bilateral economic cooperation.

In the meantime, Vincent C. Siew, ROC minister of economic affairs, heading the 29-member Chinese delegation, said Seoul and Taipei should strengthen tie-ups in the international society, such as GATT (General Agreement on Tariffs and Trade), and OECD (Organization for Economic Cooperation and Development), to maintain existing amicable relations.

For a rapid expansion of bilateral trade, both sides should work together to transfer imports from countries, with which they run chronic deficits, to each other, and to support the activities of their respective foreign trade promotion agencies, Minister Siew said.

Minister Yi paid a courtesy call Wednesday on Yi Teng-hui, president of the Republic of China, and was decorated with the "Order of the Brilliant Star with Grand Cordon," from the Chinese government for his contribution to promoting economic cooperation between Seoul and Taipei.

Pak Yong-hak, chairman of the Council for the Korean-Chinese Economic Cooperation and chairman of the Korea Foreign Trade Association, who joined the Korean mission as advisor, also received a "Fortune Key" from Huang Ta-chou, mayor of Taipei City, Thursday in recognition of his unsparing efforts to strengthen economic ties between the two countries.

Overseas Investment Statistics Up 2 Percent

SK0208081991 Seoul YONHAP in English 0509 GMT 2 Aug 91

[Text] Seoul, Aug. 2 (YONHAP)—South Korean investment abroad has been generally sluggish so far this year, except in China, the Bank of Korea reported Friday.

The number of overseas investments by Korean companies in the first half was 2 percent higher than in the same period last year but their value was down 30.4 percent, the central bank said.

In the first six months, the government gave permission for 250 overseas investments, up from 245 a year earlier, but their total value was down 272.8 million U.S. dollars at 623 million dollars.

The figures for the first half of 1990 were 48.5 percent more investments and up 169.1 percent in value.

The sharp drop in investment this year was because the Gulf war depressed investment abroad and because of the reduction in projects worth more than 10 million dollars, though the number of small investments increased.

The number of investments worth more than 10 million dollars was seven with a total value of 312.4 million dollars, compared with 18 worth 520.7 million dollars in the same period last year.

The number of investments of 2 million dollars or less accounted for 92.4 percent, up from 84.9 percent last year.

Manufacturing companies were first, accounting for 61.6 percent of the total overseas investments permitted by the government.

They invested 301.8 million dollars in 154 projects, including 77.9 million dollars in 38 fabricated metal and machinery projects, 32.7 million dollars in 29 textile and garment projects and 45.5 million dollars in 14 petrochemical investments.

Southeast Asia and China attracted most at 184.1 million dollars in 159 investments, followed by North America with 138.4 million dollars in 39 projects. Korean firms put 45.6 million dollars in 21 investments in Europe.

By country, China was top with 29.2 million dollars in 40 cases. The brisk investment in China was because many small firms made investments to avail themselves of the cheap labor costs there.

The Soviet Union attracted only one investment, valued at 8.6 million dollars, Hungary had two with 2.9 million dollars and Poland had one worth 200,000 dollars.

Ship Industry Fully Recovers From Gulf War

SK0208091891 Seoul YONHAP in English 0740 GMT 2 Aug 91

[Text] Seoul, Aug. 2 (YONHAP)—Shipbuilding fully recovered from the effects of the Gulf war last month with orders from abroad for 1,299,000 gross tons of shipping, up from 799,000 tons in June, the Trade and Industry Ministry and the Korea Shipbuilders Association [KSA] said Friday.

The aggregate for the first seven months is 2,523,000 tons worth 2,645 million U.S. dollars, well above the averages for South Korean builders in the same period

over the last five years of 1,919,000 tons and 1,477 million dollars.

Orders jumped in July as shipowners resumed placing orders when the shipping business recovered after the Gulf war, KSA and the Ministry said.

Ship exports in the first seven months totaled 1.8 billion dollars, up 67 percent from the same period last year, and are expected to reach 2.8 billion dollars by the end of the year.

The Ministry expects the favorable trend to continue for the time being and total orders to reach 3.5 million tons worth 3.7 billion dollars this year.

As of the end of July, Korean yards had completed 1,755,000 tons of ships this year, up 1.4 percent from the same period last year. They had orders for 7,509,000 tons worth 6,880 million dollars, enough to keep them busy through the first half of 1993.

Brunei, Malaysia & Singapore

Malaysia

ASEAN Information Ministers Meeting Continues

Mahathir on Media Freedom

BK0108072591 Kuala Lumpur Voice of Malaysia in English 0600 GMT 1 Aug 91

[Text] Datuk Sri Dr. Mahathir Mohamed said if freedom of the press is to be meaningful everyone should be able to present their side of their story. He said what is happening now is a one-sided exercise of the freedom and those who have no access to world press have no freedom. The prime minister said governments should not suppress the truth and should ensure press freedom and free flow of information. The governments would be failing in their duty if they allow abuse of press freedom to the extent that lies can spread and the stability and economic well-being of the people undermined.

He said tolerance must be stretched to the maximum but no tolerance is necessary when there is evidence of deliberate lies which undermine the nation. Dr. Mahathir made these remarks when opening the second Conference of ASEAN Information Ministers in Kuala Lumpur this morning.

He said it has been accepted that lies can be fabricated in the name of the freedom of the press. New ways are continuously being invented so that lies can be accepted as the truth. The result of this is that people become sufficiently prejudiced so as not to be able to see anything right about others.

The prime minister also commented on the so-called human rights, justice, and fair play. He said the question to be asked is whether there is justice and fair play when only certain people can influence the mind of the world community. He asked if human rights are not denied when whole nations are deprived of the right of expression and their freedom to air their views. Datuk Sri Dr. Mahathir also commented on the use of language in the world press. He said to be effective the language used must be one that is understood by the most number of people in the world. Therefore, it is not surprising that the English-speaking nations control the world press. The non-English-speaking nations which are also poor cannot have access to the world press.

The ASEAN Information Ministers will address issues related to enhance their cooperation in the information field during the two-day conference.

Joint Communique Issued

BK0208072191 Kuala Lumpur BERNAMA in English 0624 GMT 2 Aug 91

[Text] Kuala Lumpur, Aug 2 (OANA/BERNAMA)—ASEAN countries have agreed to work together and share their experience to overcome imbalanced and biased reporting by the foreign media.

A joint communique issued at the end of the two-day second conference of ASEAN ministers responsible for information here Friday, said they agreed to take steps to promote more balanced reporting and better understanding of the values and sensitivities of the ASEAN people by the foreign media.

The Association of Southeast Asian Nations (ASEAN) groups Brunei, Indonesia, Malaysia, Thailand, the Philippines and Singapore.

The ministers directed their senior officials to outline a common approach for ASEAN countries to overcome the problem, Malaysian Information Ministry Secretary-General Dr. Mazlan Ahmad told reporters.

"Generally, the ministers are also facing such problems in their respective countries," he said. He added, however, that the issue was not discussed in detail during the meeting.

Dr. Mazlan said the ministers also called for a dynamic approach to the management of information which would help reinforce the new directions of ASEAN co-operation affirmed at the 24th ASEAN foreign ministers meeting here last month.

In their comminique, the information ministers said there was a need to further enhance ASEAN's regional and international image and to promote ASEAN as a stable and prosperous region.

They called for a freer and more balanced flow of information to facilitate the effective marketing of ASEAN within the region and internationally.

Action was also needed to promote ASEAN's image through planned programmes and activities such as film festivals, exhibitions, cultural performances and publications on relevant matters of common interest.

Dr. Mazlan said the ministers suggested that their senior officials should meet every year instead of once in two years.

The conference decided that member countries explore ways of studying and sharing experience in coping with the impact of modern technology on the indigenous traditions, cultures and values of ASEAN.

Dr. Mazlan said the problem of frequency interference in radio and television broadcasts between Malaysia and Thailand was only discussed in general during the conference.

The issue would be formally discussed at the Malaysia-Thailand joint border committee meeting, he added.

Singaporean Artillery Shells Land in Johor

Joint Investigation Offered

BK0108064691 Kuala Lumpur Voice of Malaysia in English 0600 GMT 1 Aug 91

[Text] The government is to investigate the landing of two artillery shells in Gelang Patah, Johor on Sunday. The prime minister when replying to questions by newsmen in Kuala Lumpur said he had only read about the incident in the newspaper.

The Singapore Information Minister Brigadier George Yeo [title as heard] has said the republic's Ministry of Defense conducted an investigation and found no evidence of mortar shells landing. However, the armed forces did conduct mortar firing on that day. The Singapore police has contacted its Malaysian counterpart to jointly investigate the matter.

Singapore Envoy Summoned

BK0108142491 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 1 Aug 91

[Text] The Singapore high commissioner, Mr. Low Ch[illegible] Ming, was today summoned to Wisma Putera [Foreign Ministry] over Sunday's incident where two artillery shells, believed to have been fired from the republic, landed in the sea near a village in Gelang Patah, Johor. The director general for Southeast Asia and South Pacific, Datuk Yahaya Baba, said he invited Mr. Low to the Foreign Ministry to express Malaysia's concern over the incident and to ask him to explain what took place.

Earlier today, a Singapore Defense Ministry spokesman, who said mortar firing exercises were routinely conducted at the Singapore Armed Forces Training Institute, confirmed that the range was in use on Sunday. He added that the ministry was carrying out a detailed investigation into reports that two mortar shells exploded near Kampung Pendang Laut.

Meanwhile, Information Minister Datuk Mohamed Rahmat said the cabinet is expected to get a full report on the incident at its next weekly meeting. Police have been directed to get information and prepare a report on the incident.

Defense Minister Datuk Sri Najib Tun Razak has also instructed his ministry to complete investigations as soon as possible.

Singapore

Australia's Evans on Cancelled TV Documentary

BK3007050791 Singapore THE STRAITS TIMES in English 27 Jul 91 p 3

[By Cherian George]

[Text] A television documentary on Singapore was featured in talks between visiting Australian Foreign Minister Gareth Evans and Singapore's top leaders. The scheduled screening by SBC [Singapore Broadcasting Corporation] of the American-Australian-Japanese co-production has been cancelled.

At a press conference before his departure yesterday, he said the documentary was "raised in passing" during separate meetings with Prime Minister Goh Chok Tong and Foreign Minister Wong Kan Seng on Thursday and with Deputy Prime Minister Lee Hsien Loong yesterday.

"They told me that if Australia produced things which were seen to be either inaccurate or insensitive to the Asian countries concerned, it would not do Australia's long-term image and reputation much good," Mr Evans said.

But he stressed that the issue of the Singapore documentary, which was screened in Australia recently, was nowhere near as serious as the fictional Embassy series which provoked Malaysia last year.

He said that at each of the meetings, the topic was discussed "in a friendly way, rather than in an extremely critical way saying 'you guys have done it again.'"

The documentary is part of a series, Mini Dragons, which also profiles South Korea, Taiwan and Hong Kong. A Melbourne-based Singaporean journalist called the series "skewed towards social discontent and societal upheaval," in a commentary published in THE STRAITS TIMES on Wednesday.

In the episode on Singapore, the country's public housing was described as high-rise slums.

Mr Evans stressed that Mini Dragons was an international production, with only one-quarter Australian involvement. Half of the funding came from Maryland Public Television in the United States, and the remaining quarter from Japan's NHK.

The Singapore segment was mainly the work of the Australian co-producers, Film Australia. "It's got government seed funding, but basically it's an arm's-length outfit; it does its own thing."

He said that he had not watched the series, but he agreed that the programme's reference to "high-rise slums" was rather odd.

He said he had also pointed out to Brigadier General (Res) Lee that coverage of the region in the Australian media was not uniformly negative or controversial. There were many examples of wholly positive stories carried in the media.

However, he acknowledged that the Australian media were not as aware of Asia as their Asian counterparts were aware of Australia.

He said the Australian Government would encourage more exchange programmes to help Australian journalists find out about the region, so that if their work was offending, it would at least not be inadvertently so.

He told the press conference that his talks with the Singapore leaders focused on bilateral trade and regional economic and security arrangements and were cordial and friendly.

Cambodia

Deputy Foreign Minister Receives MIA Team

BK0208080491 Phnom Penh SPK in French 0428 GMT 2 Aug 91

[Text] Phnom Penh, 2 Aug (SPK)—Deputy Foreign Minister Long Visalo on Thursday in Phnom Penh received an American mission that arrived in Cambodia on 31 July to investigate the fate of three American pilots reported missing in this country during the Vietnam war.

The Cambodian deputy minister specified that no American prisoner is alive in Cambodia. Concerning the three photos recently published in the foreign press, he said these were made up by evil people who seek personal benefits.

He said the State of Cambodia Government is conscious of the suffering of the missing persons' families because the Cambodian people themselves experienced it under the genocidal Pol Pot regime. "Although it does not believe that there are American prisoners in Cambodia, the State of Cambodia Government, directed by its humanitarian sentiments toward the American people, will do everything to facilitate the work of the American delegation on Cambodian territory. We are always ready to cooperate with the U.S. Government on this issue," stressed Long Visalo.

The American delegation endorsed the explanations provided by the Cambodian deputy foreign minister and thanked the Cambodian Government for the facilities granted the delegation so that it can conduct the investigation on this matter and eliminate doubt in the U.S.

The delegation is continuing its investigation with the cooperation of the State of Cambodia's Government.

Communique on MIA Issue

BK0208080491 Phnom Penh SPK in English 1123 GMT 2 Aug 91

[Text] Phnom Penh SPK August 2—The Cambodian Foreign Ministry issued a press communique here yesterday on the recent publication of an indefinite photograph showing three U.S. pilots who were reported to be missing in the Indochina war and still living somewhere in Indochina.

The communique said: "A U.S. specialists' group arrived in Cambodia on July 31 on a fact-finding mission to check the authenticity of an indefinite photograph published recently which showed three U.S. pilots reported as missing in action [MIA] in the Vietnam War and as still living somewhere in Indochina.

"The group was received here on August 1 by Deputy Foreign Minister Long Visalo. He said that there is no possibility of any American prisoner of war still living in the State of Cambodia. On the recent publication by foreign media of a photograph of those U.S. servicemen, he said [it] was made up by someone to serve their own intertest.

"Deputy Foreign Minister Long Visalo said the government of the State of Cambodia is fully sympathetic with those American families who are deeply concerned about their missing members, because we, Cambodian families, suffered a lot from the genocidal regime. Though we do not believe in the possibility of any American prisoners of war still living in Cambodia, we have provided all the necessary facilities for the U.S. mission in Cambodia to find out the truth in a humanitarian spirit towards the American people, and we are always ready to cooperate with the U.S. Government in this field.

"The U.S. mission agreed with Deputy Foreign Minister Long Visalo on the matter and thanked the Government of the State of Cambodia for having created favorable conditions for it to find out the truth on the missing American servicemen so as to dispel any doubt in the United States about this matter."

The communique said with the cooperation of the Government of the State of Cambodia, the U.S. mission would continue its fact-finding tour for some time in Cambodia.

Chea Sim Grants Audience to Japanese Diplomat

BK0108135191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1100 GMT 1 Aug 91

[Text] On the afternoon of 31 July at the office of the National Assembly, Comrade Chea Sim, member of the party Central Committee Political Bureau and chairman of the National Assembly and of the National Council of the Kampuchean United Front for National Construction and Defense [KUFNCD], granted an audience to (Kadafi Ikeda), a Japanese diplomat.

Mr. (Kadafi Ikeda) is on a four-day visit to the State of Cambodia [SOC]. During the visit, he met with Comrade Hor Namhong, foreign minister; Comrade Choam Prasit, deputy minister attached to the office of the Council of Ministers; Comrade Sok An, deputy foreign minister. He is here to seek additional information concerning the outcome of the Cambodian Supreme National Council [SNC] meetings in Phatthaya and Beijing. He also visited the site of the Japanese Embassy to the SNC in Phnom Penh.

During the meeting, Comrade Chea Sim said Mr. (Ikeda)'s visit to Cambodia helped to pave the way in reestablishing relations between the Japan and Cambodia.

Comrade Chea Sim stressed the SOC Government's efforts to seek genuine and lasting peace for Cambodia. Comrade Chea Sim also stressed that we were optimistic and hoped that the Cambodian solution would be achieved in the near future.

Chea Sim Receives Departing Bulgarian Ambassador

BK0208063791 Phnom Penh SPK in French 0423 GMT 2 Aug 91

[Text] Phnom Penh 2 Aug (SPK)—Chea Sim, member of the Kampuchean People's Revolutionary Party Central Committee Political Bureau and chairman of the National Assembly, received in Phnom Penh on 1 August, Gantcho Kristopa Ganchev [name as received], ambassador of the Republic of Bulgaria, who came to pay his last visit at the end of his mission to Cambodia.

Chairman Chea Sim expressed high appreciation for the diplomat's efforts in Cambodia and thanked the Bulgarian leaders for the energetic support they have given to the State of Cambodia.

Chea Sim, also chairman of the National Council of the Kampuchean United Front for National Construction and Defense, informed his guest of the outcome of the meeting held by the Supreme National Council (SNC) of Cambodia in Phatthaya, and of its informal meeting in Beijing.

The Bulgarian ambassador thanked the Cambodian leaders for facilitating his mission. He said that over the past few years he witnessed many important events in Cambodia as well as seeing the government's tireless efforts to achieve national reconciliation.

He said that Bulgaria fully supports the State of Cambodia's policy of national reconstruction and expressed his conviction that bilateral relations will further develop with each passing day.

Phnom Penh Counters Resistance Accusation

BK0208080191 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 1 Aug 91

[Station commentary: "Is the demand for some modifications of the five major powers' peace plan an obstacle to a solution to the Cambodian problem?"]

[Text] The meetings of the Cambodian Supreme National Council [SNC] in Phatthaya and Beijing have quickly advanced the process toward a peaceful solution of the Cambodian problem. National and international public opinion has concluded that the solution to the Cambodian problem is in its final phase and that peace will quickly come to Cambodia.

However, [words indistinct] of the other Cambodian side [words indistinct] by striving to blame the State of Cambodia's side as the one hindering a solution to the Cambodian problem. Apart from slandering the State of Cambodia over cease-fire violations, these people have made efforts to tell others that the State of Cambodia's demand to modify some points of the peace plan of the five major powers, permanent members of the UN Security Council, is the obstacle to the solution of the Cambodian problem.

In fact, everyone knows that the obstacle to the solution of the Cambodian problem is not the State of Cambodia, as a handful of people have said in their slanders. Since 1987, although it controls the majority of the territory and people, the State of Cambodia has shown genuine goodwill in trying to solve the Cambodian problem, as opposed to many major [words indistinct] aimed at quickly ending the people's suffering and bringing genuine peace to the country and nation.

Imbued with a sense of responsiblity toward the nation, the State of Cambodia has agreed with the other side, including the Khmer People's National Liberation Front, to accept the majority of the basic points in the 26 November 1990 draft agreement. The final communique of the meeting in Paris on 21-22 December 1990 also clearly says that the remaining issues will be further discussed within the coordinating committee and among the SNC members, and attention will be paid to various opinions expressed by SNC members. Thus, the State of Cambodia has implemented this communique and demanded that the remaining issues be discussed and solved. Is this really an obstacle to a solution to the Cambodian problem?

Lately, after paying a [word indistinct] visit to Cambodia, some U.S. senators have said that one should not ignore the State of Cambodia's concerns. What are these concerns? People clearly know that the issue of the authority of the state is not the State of Cambodia's concern. If the State of Cambodia loved power and wanted to monopolize it, as a number of persons mistakenly believe, the State of Cambodia would not have put forward a national reconciliation policy and made concessions to the other Cambodian factions. This is because over the past (?11 years) [words indistinct] can topple the State of Cambodia through military means. Furthermore, the State of Cambodia's leadership has frequently said that it will respect the results of free and just elections in Cambodia.

The concern of the State of Cambodia and our people is the danger of the genocidal regime's return, the respect for independence and sovereignty, and the Cambodian people's right to self-determination. This is why the State of Cambodia has persistently demanded that the draft agreement for the peace plan by the five major powers clearly talks about measures to prevent the genocidal regime's return.

To oppose this ghastly regime, the State of Cambodia demands that the political and military status quo be maintained until free and just elections are completed. This point has been exploited by a number of people who have accused the State of Cambodia of wanting to cheat in the election game instead. Following on from this, these people have proceeded to demand the dissolution and disarming of the State of Cambodia's side without considering the enormous arms caches of the Pol Pot group (?which would facilitate) the seizure of state authority.

We would like to ask this: Will the dissolution and disarming of troops really create a neutral atmosphere? Election experiences from a number of countries, such as Namibia and Nicaragua, in which elections have been held and won by the opposition, are a light showing that the maintainenance of the political and military status quo is not an obstacle [words indistinct] to a general election. However, the dissolution of the existing Armed Forces and the government would create social confusion and a stifled atmosphere for elections in Cambodia, opening the way for the genocidal Pol Pot clique to easily return to power. It is this point that worries our people.

We can see that a number of wealthy people with money abroad who have never encountered genocide are not going to worry about this point. Furthermore, the State of Cambodia's demand for the respect of sovereignty, independence, and the people's right to self-determination is not unreasonable or illogical.

Marchais, secretary of the French Communist Party, has pointed out that the way the five permanent members of the United Nations use their right and power to take away a responsible duty from a government is unacceptable because this is contrary to the respect for the independence, sovereignty, and freedom of each state, whether this state is big or small.

In sum, the demand to modify the draft agreement of the UN peace plan by the State of Cambodia is not an obstacle to the peace process in Cambodia but is a demand on the international community to properly implement the UN Charter. It requires that responsibility be shown for the destiny and future of the country and nation. This has to be properly considered in order to achieve a long-lasting and durable peace without the threat of the genocidal regime.

Sihanouk Address to People on Future Plans

BK0208082391 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 2 Aug 91

[Message from Prince Norodom Sihanouk dated 28 July in Pyongyang—read by announcer]

[Text] Beloved children:

I am honored to make the following clarification concerning myself:

1. Since 17 July 1991, when the 11 members of the Supreme National Council [SNC] of Cambodia unanimously elected me as chairman of the SNC, I no longer belonged and will never belong to any political party or association, even until the end of my life.

2. As chairman of the SNC of Cambodia, I insist on—and will always insist on—exercising the limited power of chief of state. My power will never surpass the limit of the power wielded by Albert Lebrun—president of the Third French Republic—or Vincent Auriol—president of the Fourth French Republic.

3. I will be one of the candidates in the upcoming presidential elections in Cambodia, which will take place in 1992 or 1993.

If I am elected president of the new Cambodian republic, I will exercise my power of chief of state in strict conformity with the constitution of Cambodia, a constitution that will be worked out by Cambodia's future constituent assembly.

But, personally, I hope that this new constitution of Cambodia will not give the Cambodian chief of state as much power or as many responsibilities as the power and responsibilites offered to the president of the Fifth French Republic.

In particular, I hope that the Cambodian government will show responsibility before the National Assembly of our Cambodia and that this National Assembly will be the only one to assume responsibility for the formation and the eventual outster of this or that Cambodian government.

On the other hand, the Cambodian chief of state or president of the Cambodian republic should be elected by the Cambodian people and not by the National Assembly of Cambodia. This National Assembly should not have the power to question, and even less to overturn or "depose," the Cambodian chief of state or president of the Cambodian republic.

4. The SNC of Cambodia, of which I am the chairman, understands very well the wishes of the immense majority of our compatriots both inside and outside Cambodia. These wishes are as follows:

a. The new Cambodia must be endowed with a liberal democratic regime.

b. Political multipartism must be set up: Large, medium, and small political parties in unlimited numbers will have the right to exist in Cambodia.

c. The Cambodian people must have all the rights and freedoms that the French Republic has given to the French people.

d. The political, economic, cultural, press, and other systems in Cambodia must be as liberal as those currently in force in France.

I, Norodom Sihanouk, am exerting, and will exert, the greatest efforts so that these very legitimate wishes of our people may be fulfilled and respected by the SNC, the future constitutent assembly of Cambodia, and the future parliament and governments of Cambodia.

5. As from November 1991, the month when I will take up residence in the interior of Cambodia, I will devote myself first of all to the rehabilitation of our people and the reconstruction of our country.

Dear children and venerable monks, please accept my most profound and undying affection.

[Dated] Pyongyang, 28 July 1991

[Signed] Norodom Sihanouk

Indonesia

Suharto Holds Informal Dialogue With Businessmen

BK3007164691 Jakarta ANTARA in English 1005 GMT 30 Jul 91

[Text] Gresik (E. Java), Jul 30 (ANTARA-ECOANA)—President Suharto has asked Indonesians not to be overimpressed by the activities of big businesses because the expansion of the national economy also depends to a great extent on the enterprises of about 1.7 million small businessmen scattered all over the country.

The president gave this advice during an informal discussions with big and small businessmen (who act as "foster parents" and "foster children" under a mutual help scheme encouraged by the government) after he inaugurated 428 new factories in the country in a ceremony centralized here on Tuesday.

The president noted that there were only 2,000 big businessmen and 28,000 medium-scale businessmen in the country.

"The state's economic activities do not depend only on these big businessmen because medium- and small-scale businessmen also have important roles. All should complement one another. But some people are overimpressed by the big businesses," the president said.

He reminded Indonesians that what the people want was not only high economic growth but also equity and stability. All the elements of this trilogy of development should be implemented simultaneously. Without stability the country cannot carry out economic development.

"Competition between big, medium, and small businesses should run for the sake of mutually complementing each other and not to kill each other," the president said underscoring the importance of the "foster parents" and "foster children" scheme of cooperation between businesses.

Under this scheme, the 2,000 big businessmen can enhance the capability of the small businessmen whose number is much greater, the head of state said.

The president said the small businesses need not only capital but also technical assistance for the expansion of their enterprises.

He also said that academicians and students from universities could help by making feasibility studies for small businesses on the request of and financing by the big businesses.

Earlier, President Suharto urged private firms and state-owned companies to become foster parents for small scale industries.

In his formal address when inaugurating the 428 factories of multifarious industries which are scattered in 23 provincies in the country, the president said that foster parent system is important for state-owned firms, private companies, and small scale industries to develop mutually advantageous business.

He urged businesses to make these activities a national movement which is carried out throughout the country as proof of the country's determination and responsibility in materializing equity and economic order such as suggested by the Constitution.

The president said that Indonesia has succeeded in developing large-, middle- and small-scale industries but the Indonesian people have to be aware of the fact that small scale industries have not yet developed as expected.

Therefore, the development of small-scale industries should continue to be encouraged by creating supportive climate and providing intensive guidance.

The factories which the president inaugurated cost an investment of 1.8 billion rupiahs and employed 127,895 workers. These factories will export goods worth 1.1 billion U.S. dollars every year.

Mokhtar on Determining Iraq-Kuwait Border

BK0108145891 Jakarta ANTARA in English 1056 GMT 1 Aug 91

[Text] Jakarta, Aug 1 (OANA-ANTARA)—Former Foreign Minister Mokhtar Kusumaatmaja said here Thursday that the UN has to set up a special commission on the Iraq-Kuwait demarcation line as Iraq has never ratified the agreement it reached with Kuwait in 1963.

Mokhtar told newsmen after he was received by the president that he was appointed the commission's chairman by the UN Secretary General Javier Perez de Cuellar.

De Cuellar believed it was important to set up the five-member commission following the end of the Gulf war.

According to Mokhtar a demarcation line actually has been in existence since 1932 when Iraq was still occupied by Britain and Kuwait was a British protectorate.

When the two countries became independent the 1932 demarcation line was re-established through an exchange of note in 1963, but everything went into trouble when Iraq claimed that it had never ratified the 1963 agreement.

"Things became more difficult when the natural border marks which had always been used as 'guidelines' disappeared," Mokhtar said.

He also said that after the Gulf war, the UN set up two commissions, the first is in charge of the disarmament, and the second of demarcation line.

The other member of the demarcation line commission aside from Indonesia, Iraq and Kuwait, Mokhtar said, are New Zealand and Sweden.

Mokhtar last June visited the border areas between the two countries and chaired the commission sessions which took place in Geneva and New York.

He declined to comment on results of the sessions, saying that he has to first report to the UN secretary general.

Agreement on Joint Use of Air Facilities Signed

BK0208085791 Jakarta Radio Republik Indonesia Network in Indonesian 0700 GMT 2 Aug 91

[Text] General Try Sutrisno, commander of the Indonesian Armed Forces, and Lieutenant General Winston Choo, chief of the General Staff of Singapore Armed Forces, signed in Jakarta today a cooperation agreement on the development and joint usage of an air combat maneuvering range for the Indonesian Air Force and Singapore Armed Forces in Riau.

The signing ceremony was witnessed by Defense Minister L.B. Murdani and Singapore Defense Minister Yeo Ning Hong. Following the ceremony, Murdani and Yeo Ning Hong briefed newsmen on the development and usage of the air combat maneuvering range, ACMR. Minister Murdani said that the signing of the agreement is a reflection of good relations between the Indonesian Air Force and the Republic of Singapore Air Force. It is also a further step toward enhancing defense cooperation between the two countries following the signing of a memorandum of understanding on an air firing range in Siabu, Pakanbaru, Riau which has been operational since 1989. A similar cooperation is to be initiated with other neighboring countries.

The Singapore defense minister is on a three-day official visit to Indonesia beginning 3 August at the invitation of Indonesian Defense Minister L. B. Murdani.

Laos

Minister Greets PRC Counterpart on Army Day

BK0208092991 Vientiane Vitthayou Hengsat Radio Network in Lao 0430 GMT 1 Aug 91

[Message of greetings from General Khamtai Siphandon, national defense minister of the Lao People's Democratic Republic to General Qin Jiwei, PRC national defense minister, on the occasion of the 64th founding anniversary of the PRC People's Liberation Army, 1 August 1927-1 August 1991; dated 30 July]

[Text] Respected comrade minister: on the occasion of the 64th founding anniversary of the fraternal PLA [People's Liberation Army], on behalf of the leading committee of the National Defense Ministry of the LPDR [Lao People's Democratic Republic], cadres and combatants in the entire Lao People's Army [LPA], and in my own name, I am pleased to convey high salutations and best wishes to you, comrade, and through you, to the leading committee and all cadres and combatants in the entire fraternal PLA.

I would like to take this occasion to express sincere commendation on the great achievements and victories that the fraternal PLA and Chinese people have won in the cause of liberating and defending the country, building socialism, and fulfilling their international obligations throughout the past 64 years. Our LPA is elated over the great success achieved by the Chinese people and the PLA in carrying out the reform cause and the open-door policy. Following the success, the vital socialist system has been increasingly consolidated, promoted, expanded, and enhanced. It has thus brought about prosperity and happiness to the Chinese people as well as the genuine development and strength to the fraternal PLA. It has also significantly contributed to the safeguarding of peace and stability in Southeast Asia and the world.

We are convinced that the friendly relations, militant solidarity, and traditional cooperation between our two countries and two armies will be further promoted, expanded, and strengthened ever more fruitfully.

I wish comrade minister good health, happiness, and great success in carrying out your noble cause.

With high respect,

[Dated] Vientiane, 30 July 1991

[Signed] Gen. Khamtai Siphandon, national defense minister of the LPDR

Peace Committee Receives PRC Sympathy Message

BK0108134691 Vientiane KPL in English 0924 GMT 1 Aug 91

[Text] Vientiane, August 1 (KPL)—The Lao Committee for World Peace, Solidarity and Friendship With

Nations recently received a message of sympathy from the Association of the Chinese People's Friendship With Nations.

The message was extended in connection with the drought and torrential flood causing serious damages to the country's agricultural production and losses to lives and properties in Oudomsai Province.

The Chinese association further expressed conviction that under the leadership of the party and state of Laos, Lao people undoubtedly will overcome the difficulties arising from the natural disaster.

The association also expressed thanks to the Lao committee for the latter's message in connection with the serious flood striking some areas of China.

Foreign Minister Receives Polish Ambassador

BK0108124091 Vientiane KPL in English 0905 GMT 1 Aug 91

[Text] Vientiane, August 1 (KPL)—Lao Foreign Minister Phoun Sipaseut yesterday granted an audience to new ambassador extraordinary and plenipotentiary of Poland to Laos Mr. Marian Ejma Multanski.

The Lao foreign minister on the occasion welcomed the Polish ambassador's mission in Laos and hoped he will actively contribute to the development of the Lao-Polish relations of friendship and cooperation.

The ambassador presented his credentials to the Lao acting president on July 24.

Friendship Delegation Returns From Cambodia

BK0108122891 Vientiane KPL in English 0903 GMT 1 Aug 91

[Text] Vientiane, August 1 (KPL)—A delegation of the Lao- Cambodian Friendship Association led by its standing committee member Mr. Khamphan Vilachit, vice-president of the Social Science Institute, recently arrived home ending a week long working visit to Cambodia.

While in Cambodia, the delegation discussed with its Cambodian host delegation the development of Lao-Cambodian friendship, both affirming that Laos and Cambodia have always enjoyed a good and fair relations and have consistently provided mutual assistance.

In addition, the Lao delegation called on president of the National Assembly of Cambodia Mr. Chea Sim and toured some of production bases in a number of Cambodian provinces.

Propaganda Board Receives VNA, SPK Groups

BK0108135291 Vientiane KPL in English 0913 GMT 1 Aug 91

[Text] Vientiane, August 1 (KPL)—Somlat Chanthamat, Politburo member of the Lao People's Revolutionary Party Central Committee also head of the Party CC [Central Committee] Propaganda and Training Board, yesterday received here delegations of Vietnamese News Agency and SPK news agency of Cambodia led by their respective heads Mr. Do Phuong and Mr. Em Sam-an.

The delegations were here for nearly a week to attend the 5th conference of the general directors of the three countries news agencies KPL, VNA, and SPK.

S. Chanthamat welcomed the outcome of the conference and suggested ideas to make cooperation between the three news agencies more effective through mutual help in training competent personnel in the field. He said while the three countries have conducted a comprehensive renovation, these news agencies play an important role to reflect actual development efforts in all areas in each country.

Yesterday afternoon the heads of the three news agencies signed here a tripartite and bilateral notes and technical cooperation agreements. The agreements cover ways to step up their cooperation and mutual assistance in improving technical facilities, satellite news transmission and reception services and in disseminating overall developments in each country through exchange of news items and photos. The VNA and SPK delegations left here for home today.

Philippines

Reportage on U.S. Bases Draft Treaty Continues

Paterno Favors Ratification

HK0208041691 Manila THE CHRONICLE in English 2 Aug 91 pp 1, 11

[By Johanna Son]

[Text] Senator Vicente Paterno—deviating from commonly anti-base rhetoric in the Senate—warned yesterday that rejection of the bases treaty could cut the country's line to "extra" economic aid from the United States and the world.

Paterno delivered a privilege speech in favor of ratification of the accord, a rare move in a chamber whose members have normally taken to the floor to denounce the U.S. bases.

A day after a straw vote by Senate President Jovito Salonga recorded 15 senators against the accord, Paterno presented the arguments of senators favoring ratification, saying the new accord would benefit the Philippines, especially after the Pinatubo eruptions.

Paterno said that treaty terms could still be improved during the 10-year lease, and that "problems we would face by booting out the bases are just so daunting it is my conviction that ratification is the better alternative."

Paterno, along with Sen. Mamintal Tamano, voted for ratification in Salonga's survey. Except for Sen. Alberto Romulo, who is ill, the remaining five senators who are open to ratification had reserved their votes.

Earlier, Sen. Edgardo Angara said the bases would ensure the U.S. and Japan's help in the country's efforts to get funding at a time when much of international capital is going to Eastern Europe and the Soviet Union.

If the Senate thumbs down the treaty, "we shouldn't expect the extras we have been getting (from the United States and Japan, for instance)," Paterno warned, although he added that definitely not all aid will be stopped.

"After the series of disasters the country has experienced in the last two years, our people need all the help that we can honorably get from the world community," he said.

Among these economic benefits from the U.S.—which has been "more generous" because of the bases—are quota increases in garments and sugar, duty waiver on some imports, a favorable ruling on carrageenan and the Philippine Assistance Program [PAP] Paterno said.

"We could not expect this if relations sour as they inevitably will if the treaty is rejected," he added.

Paterno stressed that rejection of the treaty, more than a rebuke to the "mercenary" negotiating panel and to the President, is an act of the Philippines against the U.S., "the only world superpower."

Also, Japan has helped Manila because it benefits from the protection of sealanes given by the U.S. bases, he added, Tokyo pledged over $1 billion of the $2.3 billion aid in the February PAP aid-pledging session.

"We have no right to expect an enthusiastic Japanese to indirectly bring on political problems for their government," he said.

Paterno was referring to the effects of the bases removal for Japan, which may be forced to boost its military might beyond the usual self-defense requirements.

While Paterno agreed that the treaty was defective, he said that the terms could in fact be improved because of the existence of the Program Review Group [PRG].

The PRG mechanism in a bilateral relationship exists only in U.S. ties with largest aid-recipient Israel, which Paterno said shows Washington's "openness to reviewing and improving treaty terms." Because of economic considerations, Paterno said some senators who had objections to the treaty may reverse their stand when a formal vote is taken.

"Rejection is not a game. It will be solemn expression of the nation's elected representatives...to eject the U.S. from the bases on Sept. 17, 1991," he concluded.

On the regional scene, Paterno said Manila would be a "sitting duck for any aggressor" if U.S. security aid were withdrawn abruptly.

Salonga Said 'Hindrance'

HK0208124191 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 2 Aug 91

[Text] In the Senate, Senator John Osmena strongly accused Senate President Jovito Salonga of being a hindrance to the ratification of the new military bases treaty. Jojo Ysmael with details.

[Begin Ysmael recording] According to Osmena, if the president would really like to have the proposed bases treaty ratified by the Senate, Salonga will have to be unseated as Senate president. If the president would only give the signal to the senators, 14 members of the upper house are ready to stand for the ouster of Salonga, he said. Osmena criticized Salonga for revealing the positions of the senators on the bases extension during a straw vote he conducted, thus making it difficult for them to change their positions. [end recording]

Envoy Fears 'Chaos'

HK0208133491 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Aug 91

[By Rey Arquiza, DZRH Unit No.21]

[Text] It is possible that chaos might erupt if the agreement on United States [U.S.] Bases is rejected by the Senate. This was announced by Ambassador to Washington Emmanuel Pelaez. I am afraid that if there is no new bases agreement, there will be violent times ahead, Pelaez told diplomatic reporters. Pelaez explained that the Senate's failure to pass the bases treaty would send a bad signal to Washington. Large U.S. investors will reconsider whether they will continue to do business in the Philippines because they consider the U.S. bases as protection to their investments. Pelaez, who is in the country today, is helping convince the Senators to ratify the U.S. bases treaty that is ready to be submitted to them.

It was recalled that 15 senators opposed the ratification of the U.S. bases treaty. Because of the statements of the 15 senators, it is possible the Senate will not ratify the treaty. U.S. Embassy Spokesman Stanley Schrager said yesterday that it is possible the privileged treatment of the United States to the Philippines will be lost if the U.S. bases are removed. Although there was no threat in Schrager's statement, he explained that this is the truth that we must face.

Further Reportage on Marcos' Return to Country

Aquino 'Firm' on Ban on Remains

HK0208125391 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Aug 91

[By Vic Synchongco, DZRH unit No. 6]

[Text] The president stood firm on her decision not to permit the return of ex-president Marcos' remains. She also reiterated that there is no need to justify this ban by the government. She added that Executive Secretary Franklin Drilon has thoroughly explained the position of the government on the return of the Marcoses.

The president's reaction came after a statement by former First Lady Imelda Romualdez Marcos that she will insist on the return of her husband's remains. The return ban on the Marcoses was lifted the other day. Aside from the body of the former president, among those who are still banned from returning to the country are former Armed Forces of the Philippines Chief Fabian Ver and his family.

Imelda Marcos Acquires Travel Documents

HK0208101291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Aug 91

[Text] It is possible for the former First Lady Imelda Marcos to return to the country the last week of August. According to her spokesman Roger Payuan, Mrs. Marcos has already taken from the Philippine Consulate in New York her travel documents which are effective for only 30 days, from 1 August to 1 September.

Payuan added that Mrs. Marcos continues to coordinate with the U.S. Federal Aviation Services to seek permission for the remains of the late President Marcos to be returned with her to the country before 1 September. Here is a part of Roger Payuan's explanation.

[Begin Payuan recording] Mrs. Marcos proceeded to the Philippine Cosulate General in Manhattan with her lawyer Mr. James Leene, and she received the travel documents issued to her by the the Philippines Government, which only have a 30-day validation, from 1 August to 1 September. And if this is going to be the basis, it can be deduced that the former first lady will have to return to the country before the travel documents expire. [end recording]

Imelda Marcos To Appeal Again

HK0208021791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 1 Aug 91

[Text] Former First Lady Imelda Marcos will again appeal to the Aquino government and the United States Government to allow them to return to the country together with the remains of the late President Ferdinand Marcos. In an interview with Deo Macalma, the spokesman of Mrs. Marcos, Roger Payuwan said that the former first lady would like to return to the Philippines with the remains of the late President Marcos which they would like to be buried in the country.

Payuan said that at present, Mrs. Marcos is coordinating with her attorney James Leene for steps she will have to undertake in going back to the country.

[Begin Payuan recording in progress] ...part of the news that extremely saddened Mrs. Marcos was the discovery that the intention of the government to unite the Filipino people emains insincere in view of their desire to file criminal charges against Mrs. Marcos and their insistence that the remains of the late President Marcos stay temporarily behind in Honolulu. So, this is one thing that Mrs. Marcos will continue to appeal from the Aquino government and the United States Government; that these problems be solved simultaneously since there is still time for Mrs. Marcos to prepare for the remains of the late president to be able to return to the country with her. [end recording]

Resolution on Remains Return

HK0108125191 Quezon City Radyo ng Bayan in Tagalog 0800 GMT 1 Aug 91

[Text] In the spirit of national unity, eight senators presented in the Senate today their resolution asking permission from President Corazon Aquino to allow the return of the remains of the late President Marcos. Senators Joseph Estrada, Ernesto Maceda, Ernesto Herrera, Orly Mercado, Mamintal Tamano, Tito Guingona, Wigberto Tanada, and Sotero Laurel presented Resolution No 1239 in accordance with yesterday's order of President Corazon Aquino to lift the ban so that Imelda Marcos, her children, grandchildren, and sons-in-law can return to the Philippines.

In their resolution, the senators praised the decision of President Corazon Aquino to lift the ban on the Marcoses as a meaningful decision that points toward national unity. They also said the good intention of President Aquino will completely satisfy all citizens if the remains of the late President Marcos are allowed to return with Imelda and other members of their family. The senators mentioned in their resolution that the declaration on the return of the Marcoses is no longer a threat to the security of the country, nor to peace and order. The senators said there are no more legal bases in prohibiting the return of the remains of the late president. They also mentioned that former President Marcos was also a senator, a congressman, and a Senate president of the Republic of the Philippines, which is why they are concerned with the lifting of the ban on the return to the country of the remains.

Opposition To Resubmit Resolution

HK0208022191 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 1 Aug 91

[By Rey Sibayan of DZRH Unit No. 11]

[Text] The opposition is slated to resubmit a resolution asking the government to allow the Marcoses to return to the country together with the remains of the late President Marcos.

Salvador Escudero, House minority floor leader, expressed the optimism of the opposition that more than 100 congressmen are due to sign the resolution.

Earlier, a resolution was submitted by the opposition calling for the return of the Marcoses following the death of the late president in Hawaii. The resolution was signed by 102 congressmen.

According to Escudero, the follow-up resolution is now limited to the request for the return of the late president's remains.

Meanwhile, some congressmen from the north warned that the Ilocanos cannot accept the government's decision to allow only the Marcos family to return to the country and excluding the remains of the late president.

Spokesman Remarks on Ban

HK0208090091 Hong Kong AFP in English 0819 GMT 2 Aug 91

[Text] Manila, Aug 2 (AFP)—The Philippine Government might lift its ban on the remains of deposed dictator Ferdinand Marcos if his widow does not sow trouble on her return, a senior official said Friday.

"If the woman comes home and there is no trouble, I think the body can be allowed to return at one point," presidential press undersecretary Horacio Paredes told AFP.

"We're playing our game by our rules, so they should follow us," he said.

President Corazon Aquino has allowed Imelda Marcos, her children and her grandchildren to return home and face criminal charges more than five years after the 1986 military-civilian uprising that sent them into exile.

But she maintained a ban on the remains of her predecessor, who died in Hawaii in 1989 but still commands a loyal following in right-wing civilian and military circles, having ruled the Philippines for 20 years.

The U.S. Federal Aviation Administration has barred aircraft from transporting the late martial-law ruler's remains at the request of Manila, which fears riots by his followers.

A group of Marcos loyalists said here Friday that they will launch a campaign over the weekend to gather two million signatures on a petition demanding the return of his remains, currently buried in a crypt in Honolulu.

Meanwhile, Roger Pejuan, a spokesman for the former first lady, told a Manila radio station that she might return to the Philippines sometime this month, and may send her husband's body home by sea to circumvent the American ban on its transport by air.

Pejuan, interviewed by station DZRH from the Marcos's exile home in New York, said that she should be in Manila by September 1 "if we are to base the return of Mrs. Marcos on the expiration of the travel documents."

The Philippine consulate in New York issued one-way travel documents to Marcos on Thursday, allowing her to return to Manila but preventing her from leaving the country while on trial.

It did so only hours after the first set of criminal cases—29 counts of massive tax fraud—was filed in Manila against Marcos and her three children.

Pejuan said Marcos got in touch with U.S. aviation authorities soon after she received her travel documents to negotiate the return of her husband's remains. But he added that her lawyers were also looking into the possibility of bringing the body home by ship.

Pejuan also said it was possible that Marcos and her children could return home separately.

Meanwhile, the Marcoses' only son, Ferdinand Junior, said the return of his father's remains to the Philippines was "not negotiable."

"Just the same, we are gratified by the more enlightened attitude taken by the government and hope that it will ultimately move to a truly just and humane position on this matter of critical concern to us all," he added.

Defense Secretary Renato de Villa rejected fears that the impending return of Marcos would again factionalize the armed forces and prompt officers who remain loyal to the deposed president to launch another coup attempt.

He said service and field commanders in the armed forces were in full control of the military and would "remain loyal to the constitution and their profession."

"The people should not be afraid that the (armed forces) would split up and fight one another," he said.

While confirming that a tactical alliance existed between a group loyal to the former president and rightist rebel soldiers during the December 1989 coup attempt against Aquino, the bloodiest and most serious of seven plots to topple the government, De Villa said the two groups have since parted ways.

"I have no information that they have joined forces again. At any rate, both are now small and have no power to launch a coup like the one they tried in 1989," he said.

Report of U.S. Pressure Denied

HK0208031991 Manila DWIZ Voice of the Filipino People's Radio in Tagalog 2200 GMT 1 Aug 91

[Text] Executive Secretary Franklin Drilon denies report about the Aquino government being pressured by the

United States Government to allow the return of the family of the former First Lady Mrs. Imelda Marcos. Drilon said the decision in allowing the return of the Marcos family to the Philippines was solely made by the Aquino government. It was remembered the Philippine Government asked the U.S. to extend the ban on the Marcoses to return to the Philippines, but many were surprised when Drilon announced the decision of the Aquino government to allow the former first lady and her family to return to the Philippine two days ago.

Column Says Marcos No Threat

HK0208044291 Manila PHILIPPINES NEWSDAY in English 2 Aug 91 p 10

[Column "Turn of Events" by Francisco Tatad: "Beyond Compromise"]

[Text] If President Aquino had hoped to regain a shred of her crumbling popularity by finally lifting the ban on the return of Imelda Marcos, she ruined her chances by saying that the ban on the remains of the late President Marcos stays. Many political innocents who never questioned the President's ban on the Marcoses until then thought it utterly stupid and gross. And it is.

Why cut the baby in half? There is an explanation for it.

First, Malacanang received a signal, loud and clear, that the U.S. is no longer inclined to act as the informal jailer of Mrs. Marcos.

Second, Malacanang thought it would gain some mileage, and project an image of magnanimity for the President, if it lifted the ban on Mrs. Marcos.

At the same time—and this is the third point—Malacanang thought there would be little danger that Imelda would rush coming home because the ban on the remains of her late husband has not been lifted. She would then be put in a quandary while Malacanang reaped the propaganda advantage.

Remember that 24 hours before its lifting of the ban, Malacanang announced it had asked the U.S. to extend it for an indefinite period. Mrs. Aquino could not have made a complete turnaround in that length of time unless she had been thrown off her horse, like Saul of Tarsus on the road to Damascus. And there is no sign of that. Only an outright refusal by Washington could have prompted her to announce the very opposite of what she had wanted to do to Mrs. Marcos.

If Mrs. Aquino's advisers thought for a while that the President would gain brownie points for finally allowing Imelda and the children to come home, they have a very poor opinion of us, Filipinos. They did not count on our sensibilities. In any contest, we go for winners rather than losers, but where the contest is patently unfair and one-sided we go for the underdog, and there is no underdog more defenseless than the helpless fetus and the helpless human corpse.

To underscore the abuses of the Spanish friars in the Noli ["Noli Me Tangere"], Rizal talks of the desecration of Crisostomo Ibarra's departed kin by his enemies. Mrs. Aquino's ill treatment of the remains of Mr. Marcos fully recaptures and supplies a new reality to this grotesque image.

The traducing of the remains of a presidnet who was—don't forget this—the victim rather than the perpetrator of the 1986 coup has no basis either in morality or in law. It draws its inspiration from the law of naked conquest, where he who captures power invents his own laws; it has no precedent in our post-colonial history. And it is not mitigated, but on the contrary aggravated, by the ghoulish act of PCGG [Presidential Commission on Good Government] agents turning upside down the Marcos family graveyard in Olot, Leyte in search of gold.

Small wonder then that political innocents and supporters and sympathizers who have not lost their critical faculties simply cannot plumb the stupidity of the latest Malacanang announcement. The announcement is an expression of personal passion rather than of state policy; living proof that, despite solemn affirmations to the contrary, the politics of revenge has not had its day.

The ban on Mr. Marcos's remains was issued by the U.S. federal aviation authorities days after his death on September 28, 1989. It prohibits any aircraft from transporting the body, now temporarily reposed in Honolulu's Valley of the Temple, to the Philippines. The order expires on October 1.

Despite Malacanang's representations, no one can say whether the U.S. government will extend the ban after October 1. At a news briefing at the Mandarin yesterday, I asked Kenneth Quinn, Deputy Assistant Secretary of State for Asia and Pacific Affairs, who is on a two-day visit to Manila, whether the State Department would endorse Mrs. Aquino's request, and his best answer was that the matter is under discussion now.

It is reasonable to assume that in the light of the lifting of the ban on Imelda, the U.S. will find no reason to hold on to the remains of Mr. Marcos, just because the Aquino regime has requested it. As a superpower whose military might is unchallenged anywhere in the world, it cannot afford to place itself in the same position as an incompetent regime that fears the living less than it fears the dead. Any allegation that the late president's body is a threat to national security, public safety, public order or public health will sound so absurd that the U.S. under the critical eye of the world press, cannot possibly want to be part of it. Especially if there was no marked improvement in Mrs. Aquino's ability to assure ratification of the new bases agreement.

Mrs. Marcos has hinted she would walk the extra mile by coming home without her husband's body, if need be, in order to face the tax fraud charges that have now been hastily filed against her and her children in the local

courts. She would do this if it was the only way to compel the regime to allow her to bring home her deceased husband's remains.

This shows the quality of her resolve. But it would be unreasonable to expect her to come home posthaste; even without her late husband's remains, just because the regime has filed the first cases. She has no reason to make it easy for the regime, and she is not likely to do anything to compromise the cause she has fought for since 1986. As her son Ferdinand II puts it, "Our family has been bound all our lives by the indissoluble and indestructible ties of love, togetherness and mutual respect. Our father's homecoming is not negotiable."

The young Marcos is right. There are certain things that are not negotiable, that cannot be compromised. And the time has come for Mrs. Aquino to recognize it. For the past five years she has lived in a house haunted by Marcos. This has not done anyone, herself included, any good. She must now put an end to it.

As she ends her presidency, she has a duty to the nation and to herself to lay the Marcos issue to rest. The presidency must pass on to her successor fully exercised of the ghosts of the past. Let her press all the criminal cases she cares to against the Marcoses, but let her not obstruct further the homecoming and burial of the late president. Let him come home to be buried where he had wanted and deserves to be buried—among his country—men and loved ones, with honor, dignity and respect.

Sinners that we all are, let us now leave the summing up and judging of his life to history and to God. For the sake of the nation and of what is right, let the President do now what she should have done two years ago, even at the risk of being fair, just and good to her enemies.

This is the only way the nation can move on to its next stage.

Return of Marcos Remains Planned

HK0208141291 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 2 Aug 91

[Text] Former First Lady Imelda Marcos will come home with the remains of the late President Ferdinand Marcos on 1 October. This was confirmed today by her lawyer Dean Antonio Coronel after receiving news from Washington that the Federal Aviation Agency [FAA] will not extend the departure control order on the remains of the late President Marcos.

According to the Philippine Consulate in New York it is expected that the FAA will lift the ban on the return of Marcos' remains to the Philippines because the United States Government would reportedly like to avoid anti-U.S. sentiment in the country.

Although Mrs. Marcos took the one-way travel documents issued to her, Coronel said that the former first lady will insist on getting a passport so she can come back to the country along with the remains of her husband. Mrs. Marcos will use the travel documents only if the travel ban on the remains of the late president are lifted earlier.

Swiss Help Accepted To Recover Marcos Funds

HK0208141791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Aug 91

[Text] President Corazon Aquino formally accepts the promise of the Swiss Government to support the recovery of the ill-gotten wealth by the Marcos family in different Swiss banks. This was announced by Swiss Ambassador Hans Peter Strauch in relation to the anniversary celebration of the Swiss confederation. The Swiss ambassador gave President Aquino a gold coin as a remembrance of the occasion. The ambassador said that the Swiss Government can extend its help to the Philippine Government as long as the government sheds some light on the controversial statement made by an official of the Presidential Commission on Good Government.

Manila To Look Into Malaysia Torture Charges

HK0208093291 Hong Kong AFP in English 0850 GMT 2 Aug 91

[Text] Manila, Aug 2 (AFP)—Philippine President Corazon Aquino said here Friday that her government would look into a report that 13 Filipinos in Malaysia were tortured into signing statements resulting in their being sentenced to death.

Amnesty International (AI) has reported that the Filipinos and two Pakistanis in Sabah were forced to sign statements in Malay which they did not understand, and were then sentenced to death for drug-related offenses based on the statements.

"We have asked the Department of Foreign Affairs to look into the correctness of the report," Aquino said in a statement issued by the presidential palace.

The AI office in Manila said the report, received from the London headquarters of the international human rights organisation, alleged that the Filipinos and Pakistanis were convicted in separate trials "which may have fallen short of international standards" from 1987 to 1991.

None of the death sentences have been carried out, Amnesty said.

"They were disadvantaged by language difficulties during the trials and have been denied contact with their respective embassies," AI said.

The report also said that some Filipinos had already been executed in Malaysia under similar circumstances and that news of these incidents had only reached the organisation now.

Manglapus on Desire for ASEAN Economic Treaty

HK3107054191 Manila BUSINESS WORLD in English 31 Jul 91 p 2

[Text] Foreign Affairs Secretary Raul S. Manglapus yesterday pushed for the signing of an ASEAN economic treaty.

Speaking before the 40th Association of Southeast Asian Nations Chamber of Commerce and Industry (ASEAN-CCI) meeting, Mr. Manglapus reiterated the need to "harmonize internal and external policies" of the six ASEAN member-countries and consolidate all existing arrangements under one treaty in order to achieve greater economic cooperation in the region.

The signing of an economic treaty will give ASEAN "a stronger hand for bargaining" in the world trade area, Mr. Manglapus said. The treaty will transform ASEAN from a "loose association into a cohesive juridical unit" and formalize institutions. It will also provide higher levels of economic cooperation.

Mr. Manglapus introduced the idea of an ASEAN economic treaty in Jakarta in July 1990 but it did not receive popular support. When the Uruguay Round of multilateral talks under the General Agreement on Tariffs and Trade failed to come up with a new trade pact last December, the proposal was revived. The formation of trade alliances in Europe and the Americas also made it imperative to strengthen ASEAN as an economic grouping. Mr. Manglapus said the proposed ASEAN Treaty on Economic Cooperation is now the subject of a study by the United Nations Development Programme. Results of the study is expected in time for the ASEAN summit in Singapore this coming January.

French, Danish Provide Aid for Water Projects

HK0208050791 Manila MANILA BULLETIN in English 2 Aug 91 pp 1, 20

[By Jun Velasco]

[Text] The French and Danish governments have extended P [Philippine pesos] 400-million financial assistance for the rehabilitation and improvement of the country's water systems.

Local Waterworks Utilities Administration (LWUA) Chairman Jose Ricafrente estimated at P281 million the total damage to the water systems by last year's July 16 earthquake and this year's Mt. Pinatubo eruptions.

Ricafrente said the Mt. Pinatubo calamity has destroyed P116-million worth of water system equipment and facilities.

But he said that only P5 million was released so far by the LWUA board for the repair and rehabilitation of water systems in Angeles City, San Fernando, San Antonio and Bacolor, Pampanga.

Ricafrente, who presided over the LWUA board meeting yesterday, said the French government has given P190 million for upgrading water treatment facilities in Iloilo City and Sapang Palay.

He added the Danish government has also extended P200 million financial assistance for the upgrading of the water supply systems in Camarines Norte; Calauag, Bulan, Gubat in Sorsogon; and La Carlota City, Ligao and Oas, ALbay.

LWUA has also allocated P69 million for projects in Obando, Meycauayan and Bustos, Bulacan in coordination with the Metro Manila Waterworks and Sewerage System (MWSS), said Ricafrente.

Meanwhile, the LWUA board decided to reorganize its staff in response to current problems that have plagued the LWUA for some time.

Ricafrente announced the retirement of Ricardo Quebral, 62, LWUA administrator; Josefina Ruiz, 61, deputy administrator; and Vitaliano de la Vega, 61, deputy administrator.

They were replaced by deputy administrator Armando Lizaso who was promoted to administrator, and Rodolfo de Jesus and Simplicio Belisario, as deputy administrators.

LWUA was formerly managed by the Denmark consultancy firm but the water systems officials said it was "poorly managed."

The reorganization, Ricafrente said, had been demanded by its 1,000 employes but it was only implemented recently.

The move was hailed by various water districts in the Philippines as a vital step to improve the country's water supply systems.

Board Releases Guidelines for Paris Club Debt

HK0208051891 Manila BUSINESS WORLD in English 2 Aug 91 p 2

[By Ma. Gertrudes M. Chavez]

[Text] The Monetary Board has issued the guidelines on the rescheduling of Paris Club debts amounting to about $1.5 billion.

Under the 4th Agreed Minutes concluded by the Philippines last June 20, 1991 with its Paris Club creditors, nominal cash flow savings of about $1.4 billion are expected to be realized without detriment to future financial inflows.

Under the guidelines, debts covered by the rescheduling and consolidating agreement are principal and interest (excluding late interest) due from July 1, 1991 up to August 31, 1992. These include the following:

—current official development assistance loans from governments or appropriate institutions of participating creditor countries having an original maturity of more than one year but concluded before April 1, 1984.

—current non-ODA [official development assistance] loans or commercial credits guaranteed or insured by the governments of the participating creditor countries with more than one year maturity; and

—previously rescheduled debts or repayments of principal and interest due as a result of the consolidation agreements concluded in 1984, 1987 and 1989.

However, the rescheduling does not apply to loans from creditor countries with principal and interest falling due from July 1, 1991 to August 31, 1992 totalling less than one million Special Drawing Rights (SDRs). Payments thereon should be made on original due dates and arrears should be settled not later than September 30, 1991.

The agreement shall not include the remaining 15% interest due on Paris Club accounts covered by the third round of rescheduling falling due June 1, 1989 to June 30, 1991 and scheduled to be paid on June 30, 1992. Arrears on the 10% interest due on June 30, 1991 should be settled immediately.

In addition, the guidelines further state that the government of each creditor country or its appropriate institutions may on a voluntary basis, sell or exchange their loans under a debt-for-nature [as published], debt-for-aid, debt-for-equity swaps or other local currency debt swaps.

These creditors may exchange up to 100% of amounts outstanding as of June 30, 1991 for Official Development Assistance government loans. They may swap up to 10% of amounts outstanding as of June 30, 1991 or up to the maximum amount of $20 million for non-ODA loans.

Tourist Remittances

Meanwhile, the Monetary Board also issued CB [Central Bank] Circular No. 1299 on remittances of tourists and non-residents. The amended provision states that tourists and non-resident visitors may take out from the Philippines foreign exchanges in an amount not exceeding those which they brought in with them.

Amounts in excess of $10,000 or its equivalent in other foreign currencies may be taken out provided that they have been declared in writing to the authorized Central Bank officer at the time of their entry.

Union Petitions Board To Reduce Oil Prices

HK0208052391 Manila BUSINESS WORLD in English 2 Aug 91 p 10

[Text] Organized labor will today present before the Energy Regulatory Board (ERB) a very urgent motion and 13th reiteration of its petition for a provisional reduction averaging P1.92 [Philippine pesos] in the prices of local petroleum products.

Following hiatus of over a month from the last ERB hearing on the oil price reduction issue, a hearing has been scheduled at 2 p.m. on organized labor's petition.

Petitioner Kilusang Mayo Uno (KMU [1 May Movement]) said the move follows a recent endorsement by Malacanang to the ERB of an average P1.006 reduction proposed by a trisectoral committee which the militant labor group rejected.

In the petition, the KMU said "wholesale and retail pump prices of gasoline and other petroleum products be reduced provisionally by at least a weighted average amount of P5 per liter. Without receiving any evidence on this motion, a weighted average amount of P1.92 per liter...be rolled back and...allocated as follows:"

—premium gas, from P15.3796 to P12.4796;
—regular gas, from P14.4466 to P11.7766;
—aviation turbo, from P15.3902 to P13.4802;
—kerosene, from P7.2226 to P5;
—diesel, from P1.2026 to P5;
—fuel oil, from P5.1580 to P3.9980
—liquefied petroleum gas, from P5.6111 to P4.1110;
—asphalts, from P11.2448 to P10.1248; and
—thinners, from P13.0149 to P10.8249.

In the period before today's hearing, the KMU noted that "supervening events" have taken place which "should have prompted this Honorable Board to act." These are:

—The current world oil price per barrel of $16.37;
—The OPSF [Oil Price Stabilization Fund] as of June now has a sufficient cash balance amounting to P16.5 billion (P2.75 billion per month x 6 months) to answer claims by oil firms;
—the stable peso-dollar exchange rate of P27.50;
—the July 18.22 general strike called by the KMU and other cause-oriented groups over oil prices;
—the aborted Iglesia na Cristo [Church of Christ] rally "which brought about a political crisis in the country;" and
—the continuing increases in the price of prime commodities.

According to the KMU, the ERB's continued inaction given the above-mentioned events shows "statemanship, as well as independence, seems, to be lacking."

If a provisional order is issued, KMU counsel Potenciano Flores said continuous hearings should be conducted by the ERB "for the purpose of rolling back the

wholesale and retail pump prices of gasoline and other petroleum products before its Sept. 1990 levels.

De Villa's News Conference on Military Issues

HK0208121391 Quezon City DWDD Defense Department Radio in Tagalog 0130 GMT 2 Aug 91

[News conference at Camp Aguinaldo with Defense Secretary Renato De Villa on various issues concerning the military—recorded in progress; in English]

[Excerpts] ...[Reporter] You're saying sir, that the loyalists group like the one being led by General Zumel can be ignored?

[De Villa] I am not saying that they should be ignored. I'm not saying that they should be taken for granted. All I'm saying is, they do not see any danger anymore from their direction in so far as taking down this government, or destabilizing the entire country is concerned. Of course you can make a move. The Armed Forces will be there to respond accordingly, together, in support of the Philippine National Police.

[Iris Ilagan of Bulletin] General Abadia this morning reiterated his open-door policy to the remnants of the RAM-SFP [Reform the Armed Forces Movement-Soldiers of the Filipino People], sir what's your stand regarding this?

[De Villa] I was asked this question, maybe a couple of days after I was appointed, and I responded by saying that I am fully supporting the initiative of General Abadia. As a matter of fact, and I cannot discuss the detail, I am interested in seeking a final solution to our problems on armed conflict within the country, within my term. The armed conflicts that we are suffering from—[this] is our concern; talking about the communist insurgency, the ultra-rightist movement, the MNLF [Moro National Liberation Front] situation. I'm interested in seeking a final solution to all of these. If that is possible, I would like to give it a try. But please don't ask me how and what are the details.

[Char Villa] Sir, when will you reveal to us what the bureau is doing now in spite of a revamp of all the financial institutions?

[De Villa] Yes, Secretary Ramos sent to me a letter conveying his best wishes and, among other things, indicated that he will not take it against me, or he will not feel any...[changes thought] will not feel bad about it if I organize my own team to elude the AFP [Armed Forces of the Philippines] financial institutions. But you must understand, Charry, that AFP financial institutions are, first of all, while they are under my overall and general supervision, they are first of all directly under the chief of staff in various capacities. And the chief of staff has indicated to me his intention and I told him that, I told him to go ahead. And as far as I am concerned, I will be in support of his initiative in this area.

[Romy Del Moro of Channel 7] Sir, you mentioned about the insurgency. I was just in Abra and I just came back yesterday, and we learned that some of the rebel returnees who returned to the fold of the law, even since 1989, [word indistinct] any national assistance from the government yet. Can you comment on this sir?

[De Villa] Yes Romy, because this is, this was also the information that we have from other areas. Let me explain that the Department of National Defense [DND] is only a member of the rebel returnees program. I am a member of the rebel returnee [word indistinct] national reconciliation or development program. Our role however, is only in the field of negotiation and the guns return program. The resettlement to, if they want to be resettled or relocated, belongs to both the Department of Agriculture and Department of Agrarian Reform, if they want a piece of land. The skill training belongs to another department. The livelihood which I think you are particularly referring to, is controlled by the Department of Local Government now DILG [Department of Interior and Local Government]; and Secretary Santos has not yet called for a meeting of the NRCP [expansion unknown] but I think this might be a subject that we have to discuss with him as this is indeed, a question that is being brought out by rebel returning groups [word indistinct]. In the mean time, I will indicate to him that this is an emerging problem because it is a growing problem, so that something can be done about it. But in so far as the guns return program, I think the CRS [Civilian Relation Service] which is the implementing agency of the DND in this regard [passage indistinct]. But the livelihood which is not with us, cannot be given by us. This is the sad fact of the matter. [passage omitted]

[Vic Lima of DZMM] Sir, the acquittal of Satur Ocampo and Carolina Malay, what would be the impact of this on the government's legal battle against the CPP-NPA [Communist Party of the Philippines-New People's Army] leaders?

[De Villa] I think the impact would not be very far from situations we have experienced before whereby some of those accused were acquitted on the basis of writ of insufficient evidence. The said impact would be to alert, causing our legal staff to wake up to their responsibilities of making sure that our cases are strong. And when we put people on the spot and in cases like this, we should be able to come out with strong evidence. Its impact shall act on that score. Secondly, its impact on the insurgency problem, in the sense that we may lift [as heard], they themselves admit that they are senior officials of the CPP-NPA. Our causes are not prejudiced against them. And our causes call the shots of this agreement.

[Lima] What I'm trying to say is that there is no railroading in this government on this case. Sir, it's the soldiers themselves I'm concerned with on the ground—that it will give them some cause for worry that those they try hard to catch are not that easy to put behind bars.

[De Villa] But even if they have been acquitted in this case, I think there are other cases which have to go on. Or perhaps [word indistinct] that in all other cases, our evidence must be strong, if we want to finally put them behind bars under a judicial sentence.

[Joe] May I ask the last question, sir. It's been quite long that you have been at the helm of the Defense Department and you've been meeting with the executives. May we know if you have adopted some policy changes so far as program thrust is concerned, minor structuring here and there?

[De Villa] Joe, this is my 11th day. It's been that long. In terms of the Defense Department, I wish to let all of you know, that as announced in the papers, indeed we will lose five assistant secretaries. And this is in accordance with the direction or instruction of the president to comply with the wishes of Congress to abide by what they have indicated to be a reduction of undersecretaries and secretaries by way of limiting the number of budget items for this position. [passage omitted] Basically, I would like to continue with what I have started, although at this level now, which is a higher level, and this will be mostly concentrated on policy formulation—and I'm referring to a more aggressive counterinsurgency program that we have initiated, whereby, we have now a very strategic component of the program which is the CAFGU [Citizen's Armed Forces Geographical Units]. Secondly, we must pursue the AFP modernization program which we have started to lay the groundwork of two years ago. And this is concentrated on modernizing at the very minimum and affordable level in Navy and the Air Force initially, and eventually also the Army. And finally, I'm interested of course in pursuing a continuity in the reshaping of the internal reforms that is going on in the Armed Forces. The effort to have legislations that will correct many of those deficiencies that we have noted in the Armed Forces that needs to be corrected by legislation and we have quite a lot of them already in Congress [sentence as heard]. We will try to pursue and ask Congress if it is possible with the time available up to June 30 next year—will some of these important legislative proposals could be made into law? Insofar as the Armed Forces is concerned, I would like to push the officer corps for more discipline and higher performance on the part of the Armed Forces. [passage omitted]

[Manny Mogato] Sir, what do you think about the compensation the Americans are giving us? Is it enough for us to modernize our Armed Forces and what do you think about the future of the American and Philippine relations after the U.S. abandons Clark Air Base?

[De Villa] Okay, let's have some facts straightened out, and the decisions that have been made. One, the United States has decided to abandon Clark and therefore all other minor installations, such as the one in O'Donnell, the one in Wallas, the one in Zambales and vital installations—John Hay has already been turned over—so in the end, we will see only Subic and its facilities to include (?Subic). Obviously, our bargaining weight will only be on Subic. And therefore as expected, the U.S. agreed to a reduced compensation package. Now I cannot delve or discuss very much what are the substantial or the nitty gritty contents of that draft agreement because as Secretary Manglapus had said, there are areas that are still being discussed, although the basic body is already finished. Now, my position on the matter is as follows, and I have said this before. I am confident that our panel did their job and their duty to the best of their ability and with the highest interest of the country behind it. I cannot imagine our panel in any way favoring the interest of the Americans more than our own national interest. And then they came up with the draft treaty and the president accepted it and is now submitting or going to submit it to the Senate for ratification. I go with the president 100 percent on this. This is the product of long discussions. This the product of tedious meetings. And as far as the panel is concerned, if you are confident that the panel did its job, then unless proven otherwise, then it follows, under the circumstances, this is the most that we could get. Now in its impact on the modernization of the Armed Forces, let me tell you that while the dollars of the past portion of it is reduced to something like $203 million per annum, and necessarily this is divided to military and economic components, the military component will be much lesser. We cannot modernize on the basis of that only. Certainly. [Word indistinct] for us to rely on for modernization of the Armed Forces. However, as I understood it from those [word indistinct], the package includes direct transfer of equipment, not anymore pumps, but direct transfer of equipment that are already in the possession of the United States Armed Forces that would be suitable for our own purposes. And that, I think, is something that we should pursue because that would be a major factor in our ability to give our Armed Forces modern equipment, as well as training on this equipment. We do not foresee that the Philippines by itself, or the economy of our country by itself, would be able to bring this Armed Forces to the level of modernization as that of our neighbors at least. [passage omitted] We can negotiate with other countries also for a similar kind of arrangement but those countries will have to give us something very soft by way of retainer so that we can avail of their equipment. We are not closing that option, by the way. But if we can get the equipment such that, package of the treaty with U.S., going, then that would be a very acceptable arrangement for us. [sentence as heard] [passage omitted]

Army 'Weakening' in Bicol Region Due to Abuses

HK0108140791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 1 Aug 91

[By Benjie de Galicia, DZRH unit 20, from Quezon Province]

[Text] The Philippine Army's force in the Bicol region is weakening due to successive attacks launched by the New People's Army [NPA] in the provinces of Masbate, Sorsogon, and Camarines Sur. DZRH unit 20 learned this from the different barangay captains of these areas.

The weakening of the Army forces under the command of Brigadier General Federico Ruiz Jr. is said to be the result of the abuses committed by his men against people in these towns and farmlands. According to them [barangay captains], if the abuses by the men of the Southern Military Command assigned to Region 5 or the Bicol Region continues, the people might again sympathize with the New People's Army. Here is a statement by a barangay captain who asked not to be identified:

[Begin unidentified barangay captain recording] You know Loi, we barangay captains have noticed that the Army here is becoming abusive in our area. These [abuses], if they continue, may become the reason why we, who do not believe in the NPA, might return to them [NPA] because we might not get any help from that Army, which sometimes commits abuses in our area.

Abadia Urges Military Rebels To Surrender

HK0208050191 Manila MANILA BULLETIN in English 2 Aug 91 p 8

[By Aris R. Ilagan]

[Text] Gen. Lisandro C. Abadia, AFP [Armed Forces of the Philippines] chief of staff, expressed yesterday his determination to convince remaining military rebels to surrender, using all possible peaceful and democratic means to ensure unity in the military.

"I still cannot say the Armed Forces is now united with all those rebel soldiers still running around," Abadia said during a speech at the 40th anniversary if the Army Training Command (Tracom) in Fort Bonifacio, Makati.

Abadia stressed his "open-door policy" to Reform the Armed Forces Movement-Soldiers of the Filipino People (RAM-SFP) leaders who still remain at large, particularly dismissed Army Lieutenant Colonel Gregorio "Gringo" Honasan and former Navy Commodore Domingo Calajate.

Both Honasan and Calajate, who carry a P5 [Philippine pesos] million and P1 million cash rewards for their arrest, respectively, are considered the most influential leaders of the RAM-SFP.

Since last May, Abadia has twice suspended military operations against members of the RAM-SFP while government emmissaries tried to contact Honasan and Calajate to start a peace dialogue with the rebel soldiers.

The AFP chief considered the peace dialogue a good "starting block" which may eventually end the five-year military rebellion in the country.

But shortly after Abadia ordered the resumption of the manhunt operations on RAM-SFP personalities, two top rebel military officers—Fernando Caraig, a former Army lieutenant, and Ariel Querubin, a dismissed Marine captain—were captured by military intelligence units in Metro Manila.

Military analysts said the arrest of Caraig and Querubin signalled the determination of the AFP leadership to neutralize the remaining RAM-SFP personalities if the peace initiatives of the government completely fail.

Communist Movement Loses 'Ideological Footing'

HK2907123991 Manila MANILA BULLETIN in English 29 Jul 91 p 14

[By Aris R. Ilagan]

[Text] Armed Forces chief of staff Gen. Lisandro Abadia said yesterday that the failure of the communist ideology in some countries in Eastern Europe and the Soviet Union has adversely affected the efforts of the Communist Party of the Philippines (CPP) and its military arm, the New People's Army (NPA) in continuing their struggle against the Aquino government.

"Politically, the Communist Party of the Philippines and the National Democratic Front (NDF), have lost their ideological footing with the dramatic developments in Eastern Europe and the Soviet Union," Abadia said during a speech before the members of Philippine Council for World Freedom.

"The impact of the drift towards democracy upon the (communist) movement is tremendous," Abadia added. He said that the developments in communist nations in Eastern Europe and Soviet Union proved that communism is a failure both as a political and an economic system.

With such developments, assistance from foreign sources to the communist movement has dwindled during the recent years. A leadership crisis presently affecting the CPP-NPA has been another major factor in the continued downfall of communist influence in the country.

Military authorities said that filed commanders have stepped up orientation on barangay residents in farflung provinces on the restoration of democratic principles on some communist Eastern countries.

On the strength of the New People's Army (NPA), Abadia said that the rebel army's regular fighters have been reduced from its peak strength of 25,000 in 1988 to about 17,000 today.

'High-Ranking' NPA Official, Wife Arrested

HK0208130991 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Aug 91

[Text] A high-ranking official of the New People's Army [NPA] General Command was arrested by the combined elements of the Philippine Army Intelligence and the Pasig Police. The wife of Antonio Lacaba was also arrested by the Philippine National Police [PNP] intelligence. Here is Fernan Imberga of DZRH Unit No. 22 for more details.

[Begin Imberga recording] The combined elements of the Philippine Army Intelligence and the Pasig Police were able to capture the Chief of NPA General Command Communication Network in an operation in the town of Pasig. Philippine Army Chief Major General Arturo Enrile identified the arrested NPA leader as Conrado Gil Cordero whose aliases are Rick and Ronaldo Santiago, and is said to be the radio man of NPA Chief of Staff Romulo Kintanar. Conrado Gil Cordero, who is said to be the chief of the communication electronics group of the New People's Army General Command, carries a reward of P [peso] 300,000. He was captured during a raid in the safe house of the NPA rebels in Jenny Avenue, Pasig, Metro Manila. The authorities confiscated different kinds of modern and sophisticated communication equipments which includes a radio computer modem that Kintanar uses to communicate with all NPA commanders around the country. A [word indistinct] computer link used for communicating with other countries was also confiscated. The other confiscated items are hi-frequency hand-held radios, antenna tuners, a power supplier, a Kenwood AM-FM [word indistinct] radio, an antenna loading loil, FM transceivers, cable wires, cords, a .38 caliber revolver with six bullets, and subversive documents. Here is Philippine Army Intelligence Chief Colonel Jose Marie Solquillo.

[Solquillo] The suspect Conrado Gil Cordero was arrested by the combined elements of the Philippine Army Intelligence and the Pasig Police, Eastern Police District, along Jenny Avenue last Tuesday [30 July].

[Imberga] Colonel Joe Marie Solquillo was also the Chief of Staff of the Philippine Army. We received, meanwhile, an A1 information from the PNP intelligence in relation to the arrest of the wife of Antonio Lacaba, who was first arrested by the operatives of the Police Intelligence Security Command in the town of Marikina. The arrested was identified as Rosario Lacaba, the wife of Antonio Lacaba, who is also a ranking officer of the NPA General Command. [end recording]

Manila To Undertake Talks With Rebel Soldiers

HK0208150391 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 2 Aug 91

[Text] Malacanang has dismissed Vice President Laurel's call for the government to grant amnesty to military rebels. In an interview with DZRH Unit 6 [reporter] Vic Synchongco, Press Secretary Buddy Gomez said that the government is currently implementing plans for a dialogue between RAM-SFP-YOU [Reform the Armed Forces Unit-Soldiers of the Filipino People-Young Officers Union] and government representatives.

Let us now listen to the explanation of Press Secretary Tomas Buddy Gomez:

[Begin Gomez recording in English] Vice President Salvador Laurel's proposal—I think it is being addressed already by the task given by the President to General Abadia. [end recording]

Thailand

Exports to U.S. Slump After Trade Warning

BK0108024191 Bangkok THE NATION in English 1 Aug 91 p A2

[Text] Thai exports to the United States grew by only 9.3 per cent in the first five months of this year as a result of the Washington announcement to place Thailand on a "priority watchlist".

Nittaya Phibunrattanakit, deputy director of the Bank of Thailand's Research and Planning Department, said the growth rate was considered low given the annual increases of around 29 per cent the country enjoyed during 1986-1990.

Speaking at a seminar organized by the Bangkok Metropolitan bank yesterday, the official said the US has become more protectionist against Thai exports particularly in regard to placing Thailand under the foreign country priority watchlist under Section 301 of the US Trade Act.

Apart from the US economic recession, American traders have also slowed down imports from Thailand for fear that the latter would be opened to US trade retaliation. Thailand was placed on the watchlist for failing to provide adequate intellectual property rights protection.

Last year, the US recorded a [baht] Bt39 billion trade deficit with Thailand.

"The US is proceeding with trade measures to pressure countries with trade surplus against that country to accede to its demand. The US looks negatively at others thinking that it has the fairest trade policy. We have to look for alternative markets," Nittaya said.

Thailand's exports to other markets are said to be rising faster than to the US, which normally used to account for about 20 per cent of total Thai exports annually.

Somchai Phakhaphatwiwat of Thammasat University, said if the US retaliates against Thai exports, the sectors which would be hit would be labour intensive ones such as garment and jewellery. About 3 per cent of the total trade between the two countries estimated at Bt100 billion annually would be hurt.

He said if the military junta allows the election to take place before next April, when Thailand's case would be up for review by the US Trade Representative, the US might reduce its trade pressure against Thailand.

But, he thinks that the impacts from the trade retaliation would be minimal.

Wirot Amatakunchai, president of the Thai Garment Manufacturers Association, disagreed, saying that the trade retaliation would hurt high growth Thai exports such as garment, jewellery, shoes, processed food and furniture.

Sihanouk Seeks Readmission to World Bank

BK0208013991 Bangkok THE NATION in English 02 Aug 91 p A2

[Text] Former Cambodian monarch Prince Norodom Sihanouk has officially requested the World Bank [WB] and International Monetary Fund [IMF] to readmit Cambodia so that the country can participate in the bodies' annual conference set for October 15-17 in Bangkok, after more than ten years of absence, a senior official at the Bank of Thailand said.

Deputy Governor Roengchai Marakanon, deputy chairman of the organizing committee for the annual WB/IMF conference, said Sihanouk has sent a letter to the WB/IMF Committee based in New York for the readmission.

The Indochinese country has not sent a delegation to the WB/IMF conference since the eruption of war inside Cambodia, triggered by the Vietnamese invasion in 1979.

Cambodia's Supreme National Council (SNC), which united the tripartite resistance factions and the Phnom Penh government, agreed during its first meeting in Phatthaya in June to ask Sihanouk to send the letter of request to the body for readmission.

Roengchai said that the WB/IMF's other two Indochinese members—Vietnam and Laos—had accepted the invitation to participate in the annual conference, along with 155 others. He also confirmed that all major industrialized countries, G-7 members and others, would be attending the meeting.

Minister To Negotiate Over Gas, Gems in Vietnam

BK0108030391 Bangkok THE NATION in English 1 Aug 91 p B1

[Text] Deputy Industry Minister Wira Susangkarakan will leave for Hanoi early this month to negotiate a buying contract for natural gas with Vietnamese authorities.

Wira and officials from the Department of Mineral Resources will also hold talks with Vietnamese officials about the possibility of having Thai companies mine and cut gemstones there. The minister was in Vietnam two months ago to explore the investment opportunities.

Meanwhile, the Vietnamese Ambassador to Thailand, Nguyen Trung, voiced his support for the Thai gem project saying that Vietam welcomes investment in processing and marketing of precious stones and marine resources to add value to the products. So far, Thai companies have only expressed interest in exploiting Vietnamese resources for finishing in Thailand.

According to Ambassador Nguyen, Hanoi has listed certain industries as priority areas for foreign investment: Manufacturing, tourism, transportation, communications, fisheries and gems processing.

Minister Wira said yesterday that he will consult with Vietnamese officials the possibility of Thailand securing additional natural gas supplies from the Big Bear oil field off the Vietnamese coast.

Big Bear's gas reserve is estimated to be between 300 and 500 million cubic feet which can be used for a period of 20 years. Its oil reserve is about 300,000 barrels per day, said Wira.

He will also discuss plans to lay down an 800-km gas pipeline form the Big Bear field to Erawan gas field in the Gulf of Thailand. Wira was confident that the construction of the pipeline could be undertaken by the government, saying that the Petroleum Authority of Thailand has the technical expertise and capability to carry out the investment.

"We have already constructed a pipeline stretching over 600 kilometres—425 kms inland and over 200 offshore. We are about to extend the line by 100 kms from the Bongkot gas field to the Joint Development Area between Thailand and Malaysia," Wira declared at the opening session of a seminar on Investment Opportunities in Indochina yesterday. The seminar was organized by Contexs Co.

The minister also pointed out the opportunities for Thai companies to invest in cement plants in Vietnam where the combined production capacity was slightly over two million tonnes a year, far short of its domestic demand.

At the beginning of this year, the Vietnamese Government banned import of cement (except for use in foreign joint ventures) to protect local producers and stimulate investment. The fact that Vietnam has large lime reserves, a material for making cement, is conducive to cement investment there. Vietnam has recently suggested to Thailand that the Thai Government sponsor the construction of afriendship highway linking Thailand and Vietnam, a proposal Wira welcomes. He said the project would pave the way for Thai contractors to bid for infrastructure and hotel projects in Vietnam.

The minister also suggested that Thai textile and garment producers look at Vietnam as an alternative production base because of its lowcost labour and a relatively short distance between Vietnam and Japan, compared with Thailand, Japan is the third largest market for Thai textile and clothing products.

Concerning investment in consumer and food products for export in Vietnam, the shortages of raw materials were cited as a barrier. But Wira said the availability of marine products in Vietnam would be conduive to seafood processing.

Government Sets Refugee Repatriation Deadline

BK0108031591 Bangkok BANGKOK POST in English 31 Jul 91 pp 1, 3

[Excerpt] Authorities are soon to begin major repatriation programmes for all Cambodian and Laotian refugees, with the last Cambodians being expected to leave Thai soil in nine months and the final batch of Laotians to be sent back by 1994.

Armed Forces spokesman Gen Narudon Detpradiyut said the International Committee of the Red Cross (ICRC) and the United Nations High Commissioner for Refugees (UNHCR) will assist Thai, Laotian and Cambodian authorities in the repatriation work and help them resettle in their homelands.

There are currently about 63,812 Laotian refugees at three border camps at Pak Chom District in Laoi, Ban Napho in Nakhon Phanom and Chiang Kham of Phayao.

The group, which are the remainder of the 358,965 Laotians who crossed into Thailand since 1975, will be sent out in three separate batches starting now.

Laotian authorities have agreed to arrange housing facilities and land allocation for the returnees in Xieng Khouang, Vientiane, Luang Prabang, Sayaboury and Bokeo of Laos for resettlement.

The ICRC and the UNHCR will assist the group in providing it with necessary household utilities, farm equipment and initial living allowances.

"All the Laotians currently staying in Thailand at the three camps will have to go back to their country because no other third country wants to accept them for resettlement and Thailand can no longer shoulder the responsibility," Gen Narudon said.

The first batch of between 5,000-6,000 Laotians will have to clear the border camps by May next year.

Another 3,600 families will follow suit in June next year and all will have to leave Thailand by 1993.

The last batch of 6,000 families will start leaving in June 1993 and the last family will have to go by the end of 1994.

Gen Narudon said that Thailand had no plans to continue providing sanctuary for the refugees and those refusing to go back will be treated as illegal immigrants.

No international organisation would be allowed to provide them with any assistance, he said.

Thailand has taken in 1,191,008 Cambodian refugees since 1975 but only 660,000 people have been accepted for resettlement in third countries.

At present, there are some 359,072 Cambodians in border camps and all these displaced persons will have to leave Thai soil within a nine-month deadline.

Gen Narudon said that the repatriation work will be handled by a joint task force with the National Security Council overseeing the overall repatriation policy.

The last Cambodian refugees will be back home in time for the election in Cambodia, Gen Narudon said.

It is expected that about 250,000 Cambodian refugees will apply to return home through the arrangement to be made by the joint task force while another 50,000 have expressed a desire to return by themselves.

The refugees will be sent back along Highway Five which runs from the Thai border to Phnom Penh, by train from Watthana Nakhon to the Cambodian capital and also by air, Gen Narudon said.

The spokesman added that the 1,500 Burmese students who have taken refuge in the country will only be given government permission to stay for a temporary period.

He urged that these students contact the Burmese Embassy for repatriation as the Rangoon Government had offered to guarantee their safety if they returned. [passage omitted]

Deputy Premier Responds to Student Criticism

BK0108025191 Bangkok BANGKOK POST in English 1 Aug 91 p 3

[Text] Deputy Prime Minister Michai Ruchupan said yesterday that students should use "their heads instead of their feet" to oppose the draft constitution, adding that the drafting committee was ready to listen to rational arguments.

Mr Michai's comment was in response to a reported plan by a group of Ramkhamhaeng University students to burn his effigy to protest against the Constitution Drafting Committee's proposal to retain summary power for the Government and the National Peace Keeping Council [NPKC] during the transition period leading to the formation of a new government.

Mr Michai who is committee chairman said that the consitution panel was always responsive to criticism and had agreed to shorten the term of the Consititutional Committee after it came under heavy criticism.

As to the proposed retention of the interim Constitution's Article 27 in the provisional clause of the new constitution, Mr Michai said committee members have considered the views of their critics and would make changes according to the people's wishes.

"(Students) should not use their feet to march and to threaten the committee to effect the change since this will not be democratic," Mr Michai said.

The constitution drafting work was a national task and persons involved should argue with reason.

Asked if, in his view, Article 27 should be retained, Mr Michai said: "If an effigy is burnt, there will be a need for

Article 27. But if (the students) come to talk, then there will be no need to retain the clause."

Asked for his comment on the reported call by political parties for the committee to drop its proposal to retain Article 27 in the provisional clause of the new constitution, Mr Michai said that the committee has not received any request from the parties yet.

He commented, however, that his committee has always kept its "ears and eyes" wide open to criticism.

"The Constitution Drafting Committee is much more broad-minded than those persons," he said.

The Deputy Prime Minister dismissed a suggestion that the new constitution would make it harder for an elected Lower House member to become prime minister because the Senate members naturally would be persons chosen by the NPKC.

Mr Michai said that the Senate members under the new constitution would have no role in the selection of the prime minister.

The Senate would have the duty of screening legislation passed by the Lower House and although it can debate certain issues it would have no power to vote.

"This is why I said that the students must use their heads and not their feet to voice any opposition," Mr Michai said.

He said that whether the proposed retention of summary power under Article 27 would be dropped. It would depend on the Constitution Drafting Committee members.

He added, however, that the committee's proposals did not necessarily have to all be accepted.

The committee had a duty to make proposals for others to jointly consider and criticise, he said.

Interior Minister Itsaraphong Nunphakdi, meanwhile, urged students who have been demanding democracy to return to the classrooms.

"I had said before that to attain democracy, there has to be a system, procedure and an election. Do they (students) want an election to be held tomorrow?" he asked.

Students Arrested for Protesting Draft Charter

BK0208013591 Bangkok BANGKOK POST in English 2 Aug 91 p 1

[Text] Ten Ramkhamhaeng University students were arrested and fined 100 baht each yesterday for illegal use of loudspeakers.

The students claimed to represent six parties at the university—Santipap, Sattha Tham, Phalang Naksuksa, Krasae Tham, Kao Mai and Saeng Tham.

They set up a stage in front of the university and prepared to criticise the Constitution Drafting Committee for retaining Article 27 of the interim Constitution in a provisional clause of the draft charter.

While one student, Phaibun Sirimek, was going on stage to speak, about 30 policemen from Hua Mark and other stations showed up.

The 10 students were taken to Hua Mark police station where they were fined before they returned to the university where they rallied and took turns to attack the committee, saying it is serving the National Peace Keeping Council [NPKC] by retaining Article 27.

Committee chairman Deputy Prime Minister Michai Ruchupan was strongly criticised by the students, who claimed the nine-member Constitution Committee to be formed under the new charter is designed to represent the NPKC. Officials told reporters at Government House that they knew nothing of the arrest.

New Aspiration Party To Push 'True Democracy'

BK0108023791 Bangkok BANGKOK POST in English 1 Aug 91 p 1

[Text] The New Aspiration Party of former military boss Gen Chawalit Yongchaiyut will join forces with other political parties and pressure groups to push for a constitution that reflects true democracy instead of a disguised dictatorship, party spokesmen Khanin Bunsuwan and Chaturon Khotchasi announced yesterday.

Mr Khanin said his party would seek the cooperation of other democratic-minded political parties and pressure groups to press for constitutional changes that will bring about real democracy.

He said New Aspiration has three major principles from which to judge whether the draft charter is truly democratic: It should serve the people and not a particular group, it should promote basic democratic rights and freedom rather than obstruct them, and it should promote and not decrease the role of the elected representatives of the people.

"The draft charter being drawn up is contrary to this criteria. We object to the formation of the Constitution Committee, the limited number of MPs [members of parliament], the possibility of having an unelected prime minister, giving wide-ranging powers to the Senate, and the retention of Article 27," Mr Khanin said.

Mr Khanin declined to say which political parties Aspiration has approached but said the political situation would force all democratic-minded MPs, social groups and intellectuals to automatically lend their support.

They should be ready to voice their united opposition before the draft charter enters the National Legislative Assembly for debate and promulgation, he said.

"We have to come together to stop them from claiming that it's being opposed by just a group of four or five people," Mr Khanin said in reference to Army Chief Gen Suchinda Khraprayun's comment on a student protest against the charter and the extension of the summary power of the National Peace Keeping Council [NPKC].

Mr Khanin said since the February 23 coup all politicians regardless of whether they are good or bad had been greatly damaged. "Politicians now have to cooperate and recoup their reputation. No political system can do without politicians because if they are allowed to be destroyed there would be no-one left to look after the interests of the public, he said.

"If we leave things as they are it will eventually turn into a victory for dictatorship and a defeat for democracy," he said.

Mr Chaturon said the NPKC's insistence that it is not hanging on to power because eventually there will be a general election is unacceptable. "One has to look at the draft and one would see that it intends to preserve the council's power beyond the elections.

"In a democracy the people have the power to choose their own representatives into powerful positions. Here they are going for an all-powerful Constitution Committee. How can that be democratic?" Mr Chaturon asked.

The charter drafting committee has agreed to reduce the term of the Constitution Committee from seven to five years and made the first appointed panel last only a year.

However, Mr Chaturon said this would not change anything because the NPKC would again appoint most members of the first committee which would then select senators loyal to them. "It's exactly this first year that is the problem," he said.

In addition to that, he said, he had objected to the formation of a charter committee because it would not be answerable to the public and because the Juridical Council, which is supposed to be neutral, would be allowed a free hand to appoint two of its nine members.

Mr Chaturon also criticised NPKC vice chairman Gen Suchinda for saying that Article 27 has to go hand-in-hand with the NPKC. "The draft has not even reached the NLA [National Legislative Assembly] and the person who appointed the assembly is making this statement. How can people be sure the NLA would be free to consider the draft? How can anyone there propose something different? It proves that the person doing the appointing has the supreme power."

Mr Chaturon maintained that in the last five months the NPKC has achieved little or nothing it set out to achieve in spite of Gen Suchinda's argument that all their major aims have been fulfilled.

"The more they examine the assets of politicians the more suspicious the public gets that there is something else behind it all. In Parliament we went after corruption and got people punished over reafforestation projects or fertiliser imports. We made the cases and charges public to be fair to all sides. But the NPKC-appointed committee has given no details at all," Mr Chaturon said.

NPKC's Suchinda, Premier Anan Stick Together

BK0108023391 Bangkok THE NATION in English 1 Aug 91 pp A1, A2

[From the Political Desk]

[Text] Public criticism of the caretaker government by Gen Wirot Saengsanit, a key member of the National Peace Keeping Council [NPKC] and deputy communications minister, and the chorus of counterattacks by many ministers yesterday were certainly not coincidental events despite face-saving efforts in Thai politics to downplay the unprecedented clash.

The spate of polemics was obviously calculated and the rift in the caretaker Cabinet has undeniably escalated from the time when Gen Wirot and Communications Minister Nukun Prachuapmo were locked in a war of words over the contract for the Charoen Phokhaphan Group to undertake a multi-billion-baht telephone expansion project.

But after all was said and done, Premier Anan Panyarachun emerged victorious from the test of political strength, succeeding in showing the military council and the public that if the crunch came and he had to go, it was not only he alone who would desert the NPKC.

With the backing of his Cabinet, Anan capped his ministers' comments with a statement that he would not heed Wirot's public attack on his government unless the latter raised the matter with him in person.

If Wirot's move was a signal for Anan to step down, then he failed in his mission, at least for now.

The confrontation was only the tip of the iceberg. Wirot's move came in the wake of quiet growing criticism by certain groups in the Army of the government's performance and rumours in some newspapers that Commerce Minister Amaret Sila-on and several other Cabinet members were contemplating resignation.

Even Premier Anan has been attacked in the rumours, which gave the false impression of problems brewing among the civilian ministers.

It is also no secret at Government House that Wirot has frequently skipped the weekly Cabinet meetings.

The danger in the attitude in certain Army circles that the Anan Cabinet was ineffective and perhaps too independent is the temptation for some military leaders to try to run the show by themselves. Some in the Army even nurture the hope that a completely military government could stay on as long as it wished if it could be portraryed as serving the people.

Caught in the crossfire between impatient followers and the Anan government, Suchinda apparently tried to neutralize Wirot's move while defending the NPKC on Tuesday by denying that he was unhappy with the government's lack of achievements. But last night, after attacks on Wirot by many Cabinet members, Suchinda defended his Army chief-of-staff when he declared that all in the NPKC were in total agreement on matters of policy.

Before the latest showdown, however, Suchinda appeared to be wavering because of some followers' pressure. AT one time, he publicly said that the NPKC could remove the prime minister from power under the provisional Constitution. At about the same time, he also argued that there was no hurry about holding an election and that the poll day could be held as late as April.

But lately Suchinda has been pulled back to the reality that in fact, the government was supporting the NPKC. At a private gathering last week, he declared that there was no way anybody could drive a wedge between him and the Anan government.

Even so, the showdown in the past two days cannot be taken lightly or denied. The problem must be tacked squarely to end the persistent rumours of a rift between the government. Otherwise, Gen Shuchinda will find it increasingly difficult to carry the NPKC through the fragile interim period.

Interior Minister Discusses Cabinet-NPKC Rift

BK0108135991 Bangkok Radio Thailand Network in Thai 1200 GMT 1 Aug 91

[Text] Interior Minister General Itsaraphong Nunphakdi, commenting on a complaint about Deputy Communications Minister General Wirot Saengsanit's remarks concerning government performance, said Gen. Wirot did not make the remarks as reported, adding that he did not want to speculate on why the remarks appeared as reported. Therefore, there is no reason for Cabinet ministers to feel uneasy about the issue. The interior minister said Gen. Wirot is a major part of the Cabinet and that every Cabinet minister has been earnestly carrying out their duties. Gen. Itsaraphong said the Army commander's comment that Gen. Wirot should be asked about what he had said meant that the Army commander was confident that Gen. Wirot did not make the reported remarks. Therefore, he wanted to assure that there is no rift between the National Peace Keeping Council [NPKC] and the government. Asked if there would be a meeting to smooth out the problem, Gen. Itsaraphong said he has been acting as the middleman in his capacity as secretary of the NPKC and also as a Cabinet member. He wants to assure that there is no rift and, therefore, there is no need for an attempt to achieve correct understanding.

Regarding the commerce minister's remarks about an issue between the NPKC and the government, Itsaraphong said the minister was speaking in his official capacity. In short, the commerce minister will carry out his duties as best he could. Asked if there would be a Cabinet reshuffle, Itsaraphong said he could not answer that question because the prime minister is the person to speak on that topic. Asked if there would be a transfer of the Labor Department director, Itsaraphong said he could not answer that question, noting that it depends on the committee headed by the Interior Ministry permanent secretary.

Vietnam

MIA Settlement Said 'Humanitarian Undertaking'

BK0108133791 Hanoi Voice of Vietnam in English 1000 GMT 1 Aug 91

[Station commentary]

[Text] Last week, Mr. Kenneth Quinn, deputy assistant to the U.S. secretary of state, arrived in Vietnam for coordination in the missing in action [MIA] issue. On the photograph of three American pilots reported missing in the Indochina war, he affirmed that it was a fake. Here is our radio's comment on this issue:

The controversial photo of the three American servicemen missing in the Indochina war publicized in the U.S. has given rise to allegations saying that U.S. prisoners of war are still being detained in Indochina. This is not the first time foreign reports on MIAs have been released to incite anti-Vietnam feelings among the American people and prevent the normalization of Vietnam-U.S. relations. The campaign against Vietnam this time was launched right before the sixth meeting of Deputy Foreign Minister Le Mai and Assistant Secretary of State Richard Solomon in Bangkok on bilateral relations and other matters of mutual concern. It took place at a time when the U.S. political and business circles and people are demanding the U.S. Congress lift its economic embargo against Vietnam and the normalization of relations.

The U.S. political circles have been cautious in dealing with this photo. The Pentagon was quoted by the newspaper USA TODAY as saying that the information and photo are possibly fake. This view was also shared by the chairman of the House Subcommittee for East Asian Affairs, Representative Solarz. The paper remarked that the photo is an unsual mystery. The pilots in the photo look as if they were from other centuries of war, not the Vietnam War. One of the pilots does not look like a Westerner. Some U.S. congressmen hold that the $1 million award for information on Americans missing in action in the Indochina War has resulted in misinformation. Representative Solarz was reasoning well when he said that the publicization of the photo was an attempt to make profit on the sorrow and concern of families of American servicemen.

Vietnam has many times reaffirmed that all American prisoners of war captured in the Vietnam War were returned to the U.S. side after the Paris Agreement on Vietnam. During the reception given to U.S. Assistant Secretary of State Kenneth Quinn, the Vietnamese side handed him 70 million files on the Vietnam War. Only last week Vietnamese Ambassador to the UN Trinh Xuan Lang received relatives of the three pilots in the photo and promised to create conditions for them to visit Vietnam if they so desire. However, the suppliers of the photo have not come out to cooperate with the U.S. or Vietnam to clarify this matter.

Vietnam considers the settlement of missing-in-action issue a humanitarian undertaking. That is why Vietnam has actively coordinated with the U.S. on this issue. So far, it has on 34 occasions returned to the U.S. 452 sets of remains of American GIs. Therefore, it is not good to have the unidentified photo influence Vietnam-U.S. relations.

Spokeswoman on Statement on Nuclear-Free Zone

BK0208040091 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 1 Aug 91

[Text] In a regular news conference at the Information and Press Department of the Ministry of Foreign Relations held today, 1 August, a Vietnam News Agency correspondent requested Vietnam's opinions on the 30 July 1991 statement from the DPRK Ministry of Foreign Relations on turning the Korean peninsula into a nuclear-free zone. Our Foreign Ministry spokeswoman Ho The Lan answered as follows:

The Vietnamese people always make positive contributions to the struggle for a world without nuclear weapons and support the establishment of nuclear-free zones in the world.

Based on that principle, Vietnam supports the DPRK proposal for turning the Korean peninsula into a nuclear-free zone as mentioned in the 30 July 1991 statement of the DPRK Ministry of Foreign Relations which may contribute to the consolidation of peace and stability on the Korean peninsula as well as the Northeast Asian region.

Culture Ministry Delegation Visits Cambodia

BK0108154191 Hanoi VNA in English 1442 GMT 1 Aug 91

[Text] Hanoi VNA August 1—A delegation of the Ministry of Culture, Information, Sports and Tourism led by Minister Tran Hoan has paid a working visit to Cambodia.

While there the delegation had talks with the leading officials in charge of culture, information, tourism, radio, TV and sports of the state on Cambodia.

The two sides highly valued the good results of the presentation of the cooperation plans between the two countries and discussed a new orientation for effective cooperation in the coming years.

On July 26, the two sides signed a protocol on cooperation for 1991 between the two countries' ministries of culture and information.

The same day, minister Tran Hoan was received by Chea Sim, chairman of the National Assembly and chairman of the United Front for Construction and Defence of the Cambodia Fatherland.

Indochinese News Agency Conference Closes

BK0108152891 Hanoi VNA in English 1424 GMT 1 Aug 91

[Text] Hanoi VNA August 17—The fifth conference of the general directors of the news agencies of Vietnam, Laos and Cambodia was closed in Vientiane yesterday after three days' sitting.

The conference reviewed the implementation of cooperation programmes of the three agencies—the Vietnam news agency, VNA, the Lao news agency KPL and the Cambodian news agency SPK—over the past three years and worked out approaches for cooperation in the years to come.

During the confernence, bilateral cooperation documents between KPL and SPK, and between VNA and KPL were signed. VNA, Do Phuong, KPL General Director Van Thong Phonchanheuang and SPK General Director Em Sam-an agreed on specific measures to promote the professional and technical cooperation among their agencies in the coming years. They decided to meet again in December to examine the implementation. They also decided to hold the sixth conference in Phnom Penh next year.

National Assembly Session Issues Communique

BK0108145491 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 1 Aug 91

[Communique No. 2 of the ninth session of the eighth National Assembly—date not given]

[Text] After three days of group discussions on the draft amendments to the 1980 Constitution and the various draft laws, on 1 August the National Assembly met in a plenary session at the Ba Dinh Conference Hall under the direction of National Assembly Vice Chairman Phung Van Tuu.

The National Assembly discussed the draft amendments to the 1980 Constitution. A total of 45 deputies expressed their views, which focused on the following questions: The institutionalization of the leadership of the Communist Party of Vietnam over the state and society, the right to inherit land and to transfer the right to use land allocated in accordance with the law, and the organization of the state at the central level and organization of the local administrations.

On 2 August, the National Assembly will continue to work at the conference hall.

Vo Chi Cong Report at National Assembly, Part 2

BK0108093191 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 29 Jul 91

[Second and last part of "text" of report by Vo Chi Cong, chairman of the Council of State and head of the Commission for Constitutional Amendment, at the opening of the ninth session of the eighth National Assembly in Hanoi on 27 July—recorded]

[Text] Regarding the basic rights and obligations of citizens, the draft revision stipulates that in the SRV, all of our citizens' basic rights are respected and protected by law. The rights and obligations of citizens reflect the system of collective mastery of the people; a harmonious combination of the requirements of social life and legitimate individual freedoms; and a guarantee of the identity of interests between the state, the collective, and the individual. The rights of citizens are inseparable from their obligations. The state guarantees the rights of citizens; and citizens must fulfill their obligations toward the state and society.

In comparison with the 1980 Constitution, the draft revision provides a fuller institutionalization of the rights and obligations of citizens while promoting the broadening of democracy and enforcement of the law. The revision also stresses measures to oppose efforts to abuse the rights of freedom and democracy which are aimed at creating political unrest and undermining the common interests of the fatherland and the people.

Concerning our state's foreign policy, the draft revision asserts that the SRV pursue a policy of peace, friendship, and expanding contacts and cooperation with all countries in the world regardless of different political and social systems, on the basis of respect for each other's independence, sovereignty, and territorial integrity, noninterference in each other's internal affairs, equality and mutual benefit; that the SRV strengthen solidarity, friendship, and the traditional cooperative relations with socialist and neighboring countries; that it actively support and contribute to the struggle of the world's people against imperialism, colonialism, and apartheid for peace, national independence, and social progress.

Chapters 6-10 deal with the state organizations and apparatuses from the central to local levels.

Regarding the National Assembly, the draft revision basically maintains all the stipulations regarding the National Assembly's position and functions as stated in the 1980 Constitution. The National Assembly is the highest representative body of the people and the highest state authority in the SRV. The National Assembly is the only body vested with constitutional and legislative authority. The National Assembly decides on fundamental domestic and foreign policies, the nation's socioeconomic development program, the main principles governing the organization and functioning of the state apparatuses, and the social relations and activities of citizens. The National Assembly exercises the right of supreme supervision of all state activities.

The objectives of the draft revision are to continue to enhance the position of the National Assembly, create favorable conditions for the National Assembly to effectively carry out its tasks, and to resolutely oppose the tendency of implementing tasks just for form's sake; as well as to promote the regular activities of the National Assembly, the Nationalities Council, and standing committees of the National Assembly. Regular sessions of the National Assembly as well as their agenda will be increased and expanded to enable the National Assembly to have more time to discuss, decide, and fulfill its tasks. The National Assembly deputy structure will be renovated to suit the present situation, and the qualifications of the deputies must be enhanced to enable them to satisfactorily fulfill their duties. Favorable working conditions such as providing information, data, and other facilities to councils and standing committees of the National Assembly as well as to each individual deputy must be gradually improved and ensured.

Regarding the organization of the highest-level state leadership organ, after holding many working sessions to carefully evaluate public views, the Commission for Constitutional Amendment would like to submit the following two plans to the National Assembly for its advice:

Plan No. 1: Under this plan, there will be a National Assembly chairman and a head of state but the Council of State will be abolished and the National Assembly standing committees will no longer exist. This plan is based on the following key points:

The National Assembly will have to promptly shift to regular activities like the national assemblies of many countries worldwide. The National Assembly will make direct decisions on those issues falling under its rights and duties. The National Assembly will make laws and will not need to delegate its power to another body to promulgate laws during the period between the two National Assembly sessions. The democratic character of the legislature will be broadened. The National Assembly will have to meet more often and for longer periods of time. National Assembly councils and standing committees will be strongly consolidated and will operate on a regular basis to prepare conditions for the National Assembly's decision-making process. The organization and criteria of National Assembly deputies will be reviewed and defined in a stricter and more rational manner according to higher standards. The head of state will be the state leader representing the collective state leadership, which is the Council of State. The duties and power of the Council of State will be transferred to the National Assembly and the head of state.

Plan No. 2: Under this plan, the chairman of the National Assembly presidium will also act as head of state. This plan is based on the following key points:

The National Assembly will not be able to shift to regular activities until after it has completed one or two sessions. Because it takes the National Assembly some time to get ready in all domains, a presidium will be needed to work on a regular basis to prepare the agenda of National Assembly sessions and to act in the name of the National Assembly in deciding on important issues arising during the period beween the two National Assembly sessions and in promulgating a number of legal documents of utmost importance to meet the requirements of state management. The presidium must be a strong collective capable of exerting direct management over the regular activities of the National Assembly, including its sessions.

With the existence of the presidium of the National Assembly, there will be no need to elect the chairman and vice chairman of the National Assembly. As the chairman of the presidium of the National Assembly performs the duty as head of state, all important issues will be subjected to public debates, thus guaranteeing conditions for securing solid decisions, which otherwise could not be guaranteed if made only by the head of state.

Regarding the government, the objectives of the draft amendments to the Constitution are to strengthen the efficacy of uniform government management. It is recommended that the Council of Ministers be abolished and that a government be set up to operate in accordance with the premiership system under which the government is led by a prime minister and even though government meetings are forms of democratic debates, the final decisions belong to the prime minister. In this way, there will exist conditions for closely combining the responsibilities of the prime minister and those of members of the government.

Under the draft amendments, the government is the executive organ of the National Assembly and also the highest-level state administrative organ of the SRV. The organization, rights, and duties of the government will de determined by the National Assembly.

The premier is assisted in his work by the deputy premiers. However, the deputy premiers do not constitute an administrative echelon and do not have a standing member in the government. The ministers and other government members are accountable to the premier and the National Assembly for the spheres and sectors under their charge throughout the country. The premier submits the list of appointed government members to the National Assenbly for ratification, appoints the chairmen of the administrative committees at the levels of provinces and municipalities directly subordinate to the central government in accordance with the proposal of the people's council at the same level, and exerts the right to dismiss or transfer the administrative committee chairmen appointed by himself.

Concerning the people's councils and people's committees, ours is a unified state, therefore there is no division between the power of the central state and that of the local states. The draft amendments stipulate that the people's councils and administrative committees are placed under the leadership of the upper-level administrative organs and must submit to all decisions of the central administration. Within the limits of their tasks and powers, local administrative organs may be given managerial responsibilities by with the central government. The local administrations are empowered to actively develop initiative and devise measures to implement laws, decisions, and directives of the upper echelons. However, they are absolutely forbidden to set forth regulations in contravention of the laws and documents issued by the upper-level administrations.

Concerning the people's councils, the draft amendments affirm that the people's councils are representative organs of the people in localities. They represent the will, aspiration, and right to mastery of the local people, are elected by the local people and accountable to the local people and upper-level state organs. The people's councils must report their work to upper-level people's councils and administrative committees. On the basis of the suggestions made recently, the draft amendments presents two plans for the National Assembly to decide: First, the people's council will elect a standing committee composed of a chairman, a vice chairman, and a secretary in accordance with the current practice; second: The people's council will elect a chairman, a vice chairman, and a secretary who will be called a standing member of the people's council.

According to the draft amendments, the people's councils at all levels do not constitute a vertical system subject to the guidance of the upper echelon. The draft amendments only stipulate that the people's councils have a working relationship aimed at implementing supervisory work and guidance. The draft amendments envisage no establishment of the people's councils at the district level. Regarding this question, we would like to suggest that the National Assembly consider it carefully and advise.

Concerning the people's committee, the draft amendments suggest that its name be changed to the administrative committee [uyr ban hanhf chinhs] and that it be headed by the chairman of the administrative committee [chur tichj uyr ban hanhf chinhs]. In those localities where people's councils are set up, the chairmen of the administrative committees at all levels will be appointed by the upper echelons in accordance with the recommendation by the people's councils at the same level. The system of appointment of administrative committee chairmen at all levels is also a question that should be considered carefully. We would like to suggest that the National Assembly advise us on this issue.

Regarding the administrative levels, to suit the administrative and state management to the new situation and in accordance with many suggestions, the draft amendments stipulate that the subward level [caaps phuwowngf] in large cities be abolished, reducing the city management levels to only two. This is also a question that has received many suggestions and has been extensively discussed. We would like to suggest that the National Assembly advise us on this issue.

In Chapters 10-12, the draft amendments essentially retain intact the stipulations of the 1980 Constitution concerning the people's courts and people's organ of control. In Chapter 11, in accordance with many suggestions, we would like to suggest that the National Assembly stipulate that the Tien Quan Ca ["Song of the Marching Army" by composer Van Cao—the current national anthem] is the national anthem of the SRV.

Conmrade Deputies, along with this report, the Constitution Amendment Committee has sent to you the full text of the second draft amendments to the 1980 Constitution and a detailed supplementary report on the draft amendments to specific chapters and articles. We would like to solemnly suggest that the comrade deputies contribute their valuable opinions to help our committee revise the draft amendments and further inmprove their quality so as to publicize them for broad discussions among cadres and the people throughout the country in the months ahead. [applause]

Le Duc Anh Speaks at Army Party Congress

BK0108143591 Hanoi TAP CHI QUOC PHONG TOAN DAN in Vietnamese June 91 pp 52-54

[Statement by General Le Duc Anh at the closing session of the fifth all-Army congress—date and place not given]

[Text] Dear Comrades: Today our Army party organization congress conludes after five days of intensive work in an atmosphere of seriousness and democracy.

Our congress has achieved fine success and has proceeded in accordance with its program. Particularly, we have fulfilled all the tasks set forth for the congress:

1. Discuss and contribute views on various draft documents to be submitted to the seventh congress of deleagates of the party.

2. Elect a delegation of the Army party organization to the seventh party congress.

3. Discuss and make suggestions to the party Central Committee Military Commission's report on the fulfillment of national defense tasks for the 1986-90 five-year period and the national defense orientations and tasks for the 1991-95 five-year period, as well as on the results of its self-criticism.

With a high sense of responsibility, and by instinctively realizing the particularly vital importance of the seventh party congress, due to the fact that it will be held against the backdrop of extremely complicated changes in the world situation and at a time when our country is facing great difficulties and ordeals, our congress has concentrated mostly on the key issues that concern the destinies of the party, socialism, country, and people.

Of the 324 delegates to the congress, 103 have signed up for the delivery of speeches. However, due to the limit of time and although efforts have been made to arrange for these comrades to address the congress, only 45 of them have had a chance to do so. Due to the lack of time, many others have been compelled to submit their opinions in writing to the Presidium of the congress.

Generally speaking, all the statements, either verbal or written, have been prepared well in advance with clear political views, close-knit argument, and a combination of theory and practice, especially on issues concerning viewpoints and principles.

Upon concluding the debate on each statement at the congress, the Presidium would recapitulate its main points and take note of all of its contents to prepare a general report to submit to the party Central Committee.

Concluding the congress today, the Presidium would like to point out briefly as follows:

Through discussions at the congress, we have demonstrated to a high degree an identity of views on many major issues set forth in various draft documents of the party congress. Meanwhile, we have pointed out the need to further clarify various fundamental issues, such as the class struggle; the struggle to firmly maintain national independence and safeguard peace and stability under the new situation; the need to fully develop the laboring people's right to mastery in every domain of social life; the effort to prevent pluralism and opposition party systems; the essential substance of proletarian dictatorship; and the close relations between the two strategic tasks of building and defending the country. The common spirit is that we must, first of all, affirm the issues concerning principles and objectives, and only on the basis of firmly grasping principles and objectives with flexible and vivacious tactics can we avoid vagueness in perception and error in action.

Along with expressing joy at our party's political stability and sensitivity against the backdrop of extremely complicated changes in the world situation, we have pointed out the critically serious and rigorous requirements for renovating the party, intensifying the nature of the working class and the vanguard role of the party, advancing the party in such a way as to enable it to assume leadership over the revolution in the new stage under conditions which are rife with serious difficulties and ordeals as at present.

We have profoundly realized that the reactionary forces hostile to national independence and socialism are becoming increasingly perfidious. Many delegates proposed and suggested interesting measures to consolidate and enhance our capability in maintaining national

defense and security with an aim to firmly defend our socialist fatherland. Many also suggested that the state should combine the economic task with that of national defense to build a firm all-people national defense system, especially in coastal areas and mountainous regions where many ethnic minority people live.

Our congress has elected the Army party organization delegation to the seventh national party congress comprising comrades with firm political background and brilliant capabilities, who are competent in organizing the implementation of tasks and activities of the Army, thereby symbolizing the intelligence of the Army party organization in particular and of the Armed Forces, in general.

Although our congess is going to be closed today, the elected delegation will continue its work to make the best preparations to appropriately contribute to the success of the Seventh CPV [Communist Party of Vietnam] Congress.

Upon returning to your units, delegates to this congress—while anticipating the Seventh CPV Congress—may actively map out plans to immediately implement the national defense task in accordance with the principles and concepts we have asserted at this congress. We should also positively engage in resolving—in the framework of our responsibility and authority—various pressing issues raised by the comrade General Secretary at the opening session of this congress. These include efforts to consistently enhance the quality of the Armed Forces, firmly maintain security and order, improve work and daily life, and strive to oppose corruption and decadent culture.

On behalf of the all-Army party organization congress, I would like to thank delegates from sectors of the central level who have enthusiastically participated in and monitored the proceedings of this congress.

On behalf of the congress, I would like to commend and thank cadres, combatants, and workers and personnel of national defense agencies and units for their enthusiasm and positive contributions in preparing and organizing this congress, thereby making it a successful one. I would also like to thank newsmen from mass media agencies for their extensive coverage of the congress.

On behalf of the congress Presidium, I announce the closing of the fifth all-Army party organization congress.

I wish all delegates happiness and good health, and please convey my kind regards to all party cadres and members, combatants, and workers and personnel of national defense agencies in the entire Army.

Report on Achievements in Labor Redistribution

BK0208091191 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 26 Jul 91

[Text] The undertaking of the relocation of people to build new economic zones began 30 years ago in 1961.

In the past 30 years, we have redistributed a labor force of more than 4.82 million people, done land reclamation over an area of more than 1.8 million hectares, and built many districts and villages in new economic zones and put them into production.

The correct work of population relocation and labor distribution has created between 100,000 to 120,000 jobs yearly, helping to consolidate the unity between different ethnic minorities and protection of national security and defense.

A ceremony was held to mark 30 years of the undertaking of the work of people relocation for land reclamation and construction of new economic zones and 10 years since the establishment of the Department for Population Redistribution. At the ceremony, Comrade Tran Dinh Hoan, member of party Central Committee and minister of labor, war invalids, and social welfare, highly praised this work.

Aside from the successes, there are some remaining problems in some areas which have a negative economic effect in production.

Entering the 1990's, our country has 66 million people, with 34 million of them of working age. In the year 2000 there will be 80 million people, with 45-46 million people of working age. The population increase is a resource but it also puts pressure on the economy and society, especially in terms of employment.

In the Strategy for Socioeconomic Stabilization and Development Until the Year 2000, the work of population relocation to develop new economic zones is placed in its appropriate importance. First of all, it helps to redistribute the population in a reasonable allocation of the country's labor force. Moreover, it is an important part of a national policy of creating jobs for people.